

By Mr. WURZBACH: A bill (H. R. 12512) granting an increase of pension to Clara E. Cheesman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12513) granting an increase of pension to Helen C. Blumer; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 12514) granting a pension to Robert Garrett; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6245. By Mr. CULLEN: Petition of Thomas B. Healey, business manager of the Marine Engineers' Beneficial Association No. 33, New York City, favoring retirement and longevity pay for engineers in United States Army Mine Planter Service just the same as is now provided for officers of the Army; to the Committee on Military Affairs.

6246. By Mr. FRENCH: Petition of St. Anthony Kiwanis Club, of St. Anthony, Idaho, condemning the lawlessness in Herrin, Ill., on June 22, 1922, and expressing the condemnation of the members of the Kiwanis Club on account of the crimes committed; to the Committee on the Judiciary.

6247. By Mr. FULLER: Petition of the Rockford (Ill.) Milling Machine Co. favoring adequate protective duties on machine tools; to the Committee on Ways and Means.

6248. By Mr. KISSEL: Petition of Mr. William Kaspar, Brooklyn, N. Y., favoring the 40 per cent tariff on wire cloth; to the Committee on Ways and Means.

6249. Also, petition of Association of Missouri Banks and Trust Companies opposed to branch banking, St. Louis, Mo.; to the Committee on Banking and Currency.

#### SENATE.

WEDNESDAY, August 30, 1922.

(Legislative day of Friday, August 25, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Myers	Simmons
Ball	Gerry	Nelson	Smith
Borah	Gooding	New	Smoot
Brandegee	Hale	Newberry	Stanfield
Broussard	Heflin	Nicholson	Sterling
Bursum	Jones, Wash.	Oddie	Sutherland
Cameron	Kellogg	Pepper	Trammell
Capper	Kendrick	Phipps	Underwood
Colt	Keyes	Pittman	Wadsworth
Culberson	La Follette	Ransdell	Walsh, Mass.
Cummins	Lenroot	Rawson	Walsh, Mont.
Curtis	Lodge	Reed, Mo.	Warren
Dial	McCumber	Reed, Pa.	Watson, Ga.
Dillingham	McKellar	Robinson	Watson, Ind.
Edge	McLean	Sheppard	Williams
Fletcher	McNary	Shortridge	Willis

The PRESIDENT pro tempore. Sixty-four Senators having answered to their names, there is a quorum present.

#### SENATOR FROM MICHIGAN—CORRECTION.

Mr. WALSH of Montana. Mr. President, on August 24, in the course of some discussion of the Newberry case precipitated by the presentation for incorporation in the record by the Senator from New Jersey [Mr. EDGE] of the letter of Secretary Hughes on that subject, I read into the record what purported to be an interview with Judge William S. Kenyon upon the Hughes letter. I was in error in attributing the remarks thus made to Judge Kenyon.

For the sake of truthfulness of the record and accuracy, I now announce that I was in error in supposing that the sentiments were expressed by Judge Kenyon, who gave no interview on the subject. It is unnecessary to state how I came to fall into the error, but the remarks were wrongfully attributed to him. However, I am perfectly certain that if Judge Kenyon were still a Member of this body he would have expressed views quite like those which were attributed to him in the article from which I quoted.

#### RELEASE OF POLITICAL PRISONERS.

The PRESIDENT pro tempore laid before the Senate a resolution of the Federated Textile Unions of America adopted at its recent convention in New York, N. Y., favoring the release of all political prisoners in the country, which was referred to the Committee on the Judiciary.

#### REPORT OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 9866) authorizing the Pan American Petroleum & Transport Co. to sue the United States to recover damages resulting from collision, reported it without amendment and submitted a report (No. 896) thereon.

#### BILL INTRODUCED.

Mr. FRELINGHUYSEN introduced a bill (S. 3968) to improve the navigability of waters of the United States by preventing oil pollution thereof, which was read twice by its title and referred to the Committee on Commerce.

#### COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

The PRESIDENT pro tempore. The question is upon the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. BURSUM].

Mr. LENROOT. Mr. President, I offer an amendment to the bill, which I send to the desk.

The PRESIDENT pro tempore. The Senator from Wisconsin offers an amendment, which will be read by the Secretary.

The READING CLERK. On page 9, strike out lines 17 to 24, inclusive, and insert in lieu thereof:

SEC. 305. Immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of overseas service and of home service, as defined in section 2, for which he is entitled to receive adjusted-service credit, and their findings shall not be subject to review by the General Accounting Office, and payments made by disbursing officers of the War and Navy Departments, made in accordance with such findings, shall be passed to their credit.

Mr. LENROOT. The only change made is in the last clause of the paragraph—

And payments made by disbursing officers of the War and Navy Departments, made in accordance with such findings, shall be passed to their credit.

I have offered the amendment because of a letter from the finance officers of the War Department. It relates only to administration, the saving of red tape, and also the saving of some money in administration. I have talked with the chairman of the committee and I think he is willing to let it go to conference.

Mr. McCUMBER. I am perfectly willing to let it go to conference, that we may study it there to better advantage than we can here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. LENROOT. I now offer another amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Wisconsin offers a further amendment which the Secretary will read.

The READING CLERK. On page 11, strike out lines 8 to 11, inclusive, and insert in lieu thereof:

SEC. 402. Payment shall be made by the Secretary of War or the Secretary of the Navy according as to whether the veteran's service for which he is entitled to receive adjusted service pay was with the military forces or with the naval forces: *Provided*, That if such service of the veteran was in both forces he shall be paid by the Secretary of War or the Secretary of the Navy according to the force in which he first served during the compensable service.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Wisconsin [Mr. LENROOT].

Mr. SIMMONS. What is the character of the amendment which has just been proposed, Mr. President?

Mr. LENROOT. I will explain that it is another amendment suggested by the finance office of the War Department and relating only to administration. As the bill now reads, if a veteran entitled to compensation happens now to be serving in the Navy, under the bill that compensation must be paid by the Navy Department, although he had no service in the Navy during the war. Under the amendment the compensation will be made by the department in which the service during the war was rendered, and if service during the war was rendered in both departments the compensation shall



be paid by the department where the service first occurred. The object of the amendment is simply to save money and unnecessary work in the administration of the law.

Mr. ROBINSON. I understand the amendment is earnestly recommended by the finance officers of the War Department.

Mr. LENROOT. The only purpose of the amendment is to simplify the administration.

Mr. SIMMONS. I have no objection to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is now on agreeing to the amendment proposed by the Senator from New Mexico [Mr. BURSUM].

Mr. UNDERWOOD. I ask for the yeas and nays on the amendment.

Mr. BURSUM. Mr. President, the Senator from North Carolina [Mr. SIMMONS] is preparing an amendment to the amendment.

Mr. UNDERWOOD. I merely wish to have the yeas and nays ordered on the so-called Bursum amendment.

Mr. BURSUM. Before the yeas and nays shall be ordered I desire to say a word.

Mr. UNDERWOOD. I did not intend to cut the Senator off. There was nothing being done, and I merely did not want the vote to come without the yeas and nays.

Mr. BURSUM. The Senator from North Carolina desires to suggest a substitute for a section of my amendment, and he is now preparing it.

Mr. SIMMONS. Mr. President, I desire to offer an amendment to the substitute proposed by the Senator from New Mexico to strike out section 805 of the substitute amendment and to insert the amendment which I offered on yesterday, but of which I have not now before me a copy.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Carolina, which, as the Chair understands, is to the amendment proposed by the Senator from New Mexico in the nature of a substitute.

Mr. SIMMONS. In applying to the pending amendment the amendment which I offered, and which was adopted, on yesterday to the bill I wish to change it by striking out, in line 23, the words "of Titles IV and V." Those words are not appropriate to the pending amendment. With that modification, I now offer my amendment to the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Carolina to the amendment of the Senator from New Mexico.

The READING CLERK. The Senator from North Carolina [Mr. SIMMONS] proposes, on pages 20 and 21 of the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. BURSUM], to strike out section 805, as follows:

SEC. 805. That whenever it is deemed to be for the best interests of the United States, the Secretary of the Treasury, with the approval of the President, is authorized to sell any bonds or other obligations of any foreign Government refunded or converted by the World War Foreign Debt Commission under authority of the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign Governments held by the United States of America, and for other purposes," approved February 9, 1922, upon such terms and conditions as such Secretary may prescribe, and to apply the proceeds of such sales and any payments received on account of the principal of such bonds and other obligations to defray any expenditures incurred under the provisions of this act.

And in lieu thereof to insert:

SEC. 805. There is hereby appropriated such amount as may be necessary to carry out the provisions of this act, to be paid out of and to be a first charge upon the interest received by the United States on obligations of foreign Governments. If at any time the amount of such interest is not sufficient to meet the appropriation hereby made the same shall be paid out of any money in the Treasury not otherwise appropriated.

Mr. BURSUM. Mr. President, I desire that my proposed amendment be modified in accordance with the suggestion of the Senator from North Carolina.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. ROBINSON. May I suggest that the Senator from New Mexico has a right to modify his proposal, and that he accepts the suggestion of the Senator from North Carolina?

The PRESIDENT pro tempore. The Senator from New Mexico has the right to so modify his amendment.

Mr. ROBINSON. And he has indicated that he desires to do so.

The PRESIDENT pro tempore. The Chair understands that the Senator from New Mexico desires to modify his amendment.

Mr. BURSUM. Mr. President, I desire to modify my substitute in accordance with the suggestion which has been made by the Senator from North Carolina. As stated by the Secretary, the amendment as modified will provide that the conditions of financing shall be the same as provided in the amendment which was adopted on yesterday by the Senate as a part of the committee bill.

Mr. President, I desire to say a few words in regard to my proposed substitute. It is not my purpose to embarrass or to complicate the pending bill, but the substitute has been offered with a view of making a businesslike settlement of this obligation, a settlement on such a basis as a business man would ordinarily adopt in liquidating a debt. It does not curtail the allowance to the soldier of \$1 per day for service at home and \$1.25 for service overseas, but there is merely a difference in the method of financing.

The substitute provides for the payment within a year, or as soon as may be practicable after the passage of the proposed act, of 50 per cent of the allowance for the service of the ex-service man and of the other 50 per cent within five years thereafter. The deferred payment carries with it interest at the rate of 3½ per cent.

My objection to the plan provided by the committee bill as reported is based on the method of financing, in that it uses directly the credit of the ex-service man and indirectly the credit of the Government, and yet proposes to pay for that privilege a high rate of interest, which, under the authority provided for in the bill, may amount to approximately 7½ per cent. The bill as reported by the committee provides that an amount equal to 50 per cent of the adjusted compensation may be borrowed from the banks of the country and the certificates be pledged as collateral. In other words, such certificates are negotiable under those conditions, and interest may be charged to the extent of not exceeding 2 per cent plus the rate of the Federal reserve bank in the district wherein the loan shall be made.

That means that when the Government of the United States issues its obligations, to be repaid in three years or in 1926, those obligations may bear interest at a rate as high as 7½ per cent. That is exactly what it means.

My objection to the plan proposed by the committee is that it offers an opportunity to profiteers not only to profit at the expense of the Government but to profit at the expense of the veterans. For instance, 50 per cent of the outstanding certificates on the basis of adjusted compensation would amount approximately to \$700,000,000. Therefore, \$700,000,000 may be borrowed at rates as high as 7½ per cent, although the Government is behind the obligations and the Government pledges in the law that the money will be paid out of the Treasury at the time of maturity. So the bill as reported means the issuance by the Government of certificates of indebtedness to be repaid at an interest rate of 7½ per cent while it is notoriously known that the Government has a credit basis of 3½ per cent at the present time. Seven and a half per cent might have been a fair rate for the bonds of France at the end of the war, and the bonds of France were sold on a basis of 7½ per cent in this country.

Under the circumstances to which I have referred the result will be that associations will be formed to take up these loans on the basis of 7½ per cent, and such associations will make the difference between the 3½ per cent and 7½ per cent annually, representing a profit of 4 per cent. On \$700,000,000 such a profit will amount to \$28,000,000 a year and for three years will aggregate \$84,000,000. Three per cent of that amount will come out of the pockets of the veteran, and will approximate, in round numbers, \$63,000,000, while \$21,000,000 will come out of the Treasury of the Government.

I submit, Mr. President, that it is childish to formulate that sort of a policy and say that we have not issued outstanding obligations. It reminds me of the ostrich undertaking to hide from view by burying his head in the sand. We say we issue no certificates, but, as a matter of fact, we do issue certificates. The proposed law on its face pledges the Treasury to pay these loans in three years, namely, 1926, at extortionate rates of interest, and thereby puts a premium upon profiteering, and most of the money will come out of the veteran. He will not be benefited by it. On the other hand, there is a great difference between the committee bill and the substitute which I have offered in the matter of the carrying charges of the obligations incurred. My amendment, as I have said, provides for the payment of one-half cash, the payment of the other half at the end of five years; but if both items were carried for 20 years the charges under the proposed substitute would be \$45,000,000 a year, while under the committee bill as reported the annual charge would be \$90,000,000 a year; and upon the premise that we borrowed the money and did not pay it for 20 years, the difference between the total final cost of the bill as reported and the amendment offered by me would be the difference, approximately, between \$2,400,000,000 and \$4,000,000,000.

So under the substitute proposal we will not only promptly pay the veteran the money which we are providing for him but we will save the Government in the transaction nearly a billion and a half dollars. That is the difference between the



bill as reported and the amendment offered by me. If we are going to pay this money, if it is a debt which we owe—and I say that it is a debt—I can not for the life of me see where the objection can come. The Government uses its own credit on the best terms obtainable, which we know now can be obtained on a basis of  $3\frac{1}{2}$  per cent in the public money market.

I can not understand why we should issue a certificate of indebtedness—and that is what we are doing under the bill as reported by the committee; it is nothing more nor less than a certificate of indebtedness—which permits a rate of interest which may amount to  $7\frac{1}{2}$  per cent. Such a plan will permit profiteering to the extent of \$84,000,000 above the market value of money at the present time, and \$61,000,000 of the \$84,000,000 will come out of the pocket of the veteran, for the reason that the Government pays the veteran  $4\frac{1}{2}$  per cent and the veteran must pay  $7\frac{1}{2}$  per cent annually for this three-year loan.

Why can we not act as would a business concern, as would a banking concern? If we owe the money, let us borrow it on our own credit, let us obtain it upon the best terms possible, and let us liquidate this indebtedness honorably and in keeping with the transactions of a great and powerful government.

This bill is called an adjusted compensation bill. I do not quarrel with the title, but I do not think that is a proper name. It ought to be called an adjusted accounting between the Government and the veterans. I recognize, and I think every man who has given thought to the subject recognizes, that the Government has withheld from the veterans sums of money which it was not rightfully or morally entitled to withhold, such as the insurance of \$7.50 a month which was deducted from the pay of every veteran, and such as the allotments to dependents, amounting to as much as \$15 a month. We granted a bonus of \$20 a month to the civil employees of the Government. There is no reason why we should not have accorded the same treatment to the veteran, to the soldier who was fighting for us. These sums in the aggregate will amount to more than the sum provided for in either of these bills. They are both alike, so far as that part of it is concerned—the dollar a day for home service and the dollar and a quarter a day for overseas service. It is true that some veterans may receive more under the bill than they would receive by an auditing, but others would receive less. The minimum sum, if the rightful claims were to be audited, would come to \$27 a month, and the maximum would come to \$47 a month; so that the bill is very nearly right. I think it will average a little under what is rightfully due the veteran.

Mr. SMITH. Mr. President, I am glad that the Senator has touched upon one point. I should like to get information from the committee as to why it is that in section 502, subdivision (b), the bill limits or defines the character of the banks where these papers may be discounted, and then states that the bank accepting the certificate and the note of the veteran shall have the right to charge 2 per cent in addition to the rate of rediscount obtaining in the district where the bank at which the paper is discounted is located. In other words, if the rate of rediscount at a regional bank in a given district is 5 per cent, then the bank is authorized to charge the veteran 7 per cent for the rediscount of his paper. If the rate of rediscount should advance—as it did advance upon the word and authority of the powers that be here in Washington that have charge of our banking system—to 6 per cent, then the bank would charge 8 per cent. The rate of rediscount varies in various districts. Therefore the veterans would pay various rates to obtain money from the banks upon a Government security.

Upon the face of it, that looks as though we were offering a bonus to the banks to carry for a certain length of time this Government obligation, and we will allow them to subtract it from the soldier himself. There is no division. The Government gets none of that. It is paying a rate of interest of  $4\frac{1}{2}$  per cent, I believe; but the soldier, in rediscounting his paper, has to pay the ordinary commercial rate of interest in order to get an advance on the amount that we promised to pay him, and for a year he has to pay  $7\frac{1}{2}$  to 8 per cent; and I suppose that when he hands in his note the discount will be immediately taken out, which, under the ordinary 8 per cent rate, would amount to 9 per cent, because he advances the discount when he gets the money.

Inasmuch as the banks are practically Government banks, under the control of Government officials, I do not understand why we can not stipulate that the rate of interest that the veteran shall pay for the money advanced shall be exactly equal to the rate of interest that the Government shall pay on the paper to him. I should like to have an explanation as to why the committee saw fit to take the Government's obligations and leave them to be hawked on the market simply as prime commercial paper, to the detriment of those that we are professing to try to serve.

Mr. McCUMBER. Mr. President, I will answer the Senator. There is nothing in the bill saying that the bank shall charge a certain rate of interest. All there is in the bill is the same provision that there would be in a usury law, that the bank shall not charge more than that, just as it may be an offense, perhaps, in the State of Kentucky to charge more than 6 per cent; it may be an offense in my State to charge more than 12 per cent. The party does not need to make the loan unless he sees fit. The bank may not want to make the loan at all, even at those rates; but we are saying to the bank: "You can not go beyond such a rate. If you go beyond such a rate, it will be equivalent to usury"; and it is simply a limitation. If we said nothing about it, the banks might charge 10 or 12 per cent; but we say: "You shall not go more than 2 per cent above the discount rates in the particular district."

Mr. BURSUM. Mr. President, will the Senator yield for a question?

Mr. McCUMBER. Yes. I suppose I am talking now in the time of the Senator from South Carolina. I am answering his question. I am not certain whether his time is up or not.

Mr. BURSUM. I was going to ask the Senator if he ever heard of banks charging less than the law limited them to. In usual commercial business, has the general experience been that banks charge less than they are allowed to by law?

Mr. McCUMBER. Why, yes, as a rule; but we all know—take it in my State—money is pretty scarce. I think the ordinary banks that you would go to would be inclined to charge very much more than 2 per cent above what is called the regular Federal reserve discount rate, and we want, at least, to prohibit them going above that.

Now, Mr. President, I want to speak for a moment upon the amendment offered by the Senator from New Mexico.

I confess that I can easily understand how an enemy of this compensation bill should eagerly vote for any kind of an amendment that would load it down, that would tend to kill it. I probably would do the same thing if I wanted to see it killed; but I can not understand how a professed friend of the bill would seek to put on it amendments which would endanger its life.

I wish Senators would stop for a moment, and not approach any kind of a new amendment with absolute recklessness in the discussion of this bill. It is well known that we have to guide the bill through somewhat delicate channels if we are to have it enacted into law.

We are trying to avoid just as many obstacles as we can. We are trying to put it in a position in which there will be no excuse for the Executive to disagree with the two Houses of Congress, and we ought not to attempt to load it down with a provision that would exaggerate the differences that have existed between the Executive and the Congress, as evidenced by the statements that have been made in the press, as evidenced by the discussion on the floor, as evidenced by the letter of the Secretary of the Treasury of a year ago, as evidenced by the special message of the President to the Senate when he asked that the bill be referred back to the committee. Those things ought to indicate to Senators that we have some difficulty in so shaping this legislation that at least it can meet all prior objections. What new ones may arise upon the horizon I know not.

The House has tried to make a bill that would meet the objections that were urged by the Executive from time to time. The Senate Committee on Finance was actuated by exactly the same desire. We have made amendments, some very important ones, to this bill. I shall not discuss their merits, or what effect they may have on the bill; but here suddenly comes in a substitute that is to throw into discard every amendment the Senate has made, and approach this subject from an entirely different standpoint, one which requires in the years 1923 and 1924 a sum to be paid many times greater than is required under the bill as it is now drawn. As we present the bill, there will not be an expense of more than \$78,000,000 for 1923, and not more than \$92,000,000, I think, for 1924, dropping down to some \$70,000,000, and then going down rapidly for the succeeding years. That ought not to interfere with any financial policy of this Government. As to the other proposal, while I think we could take care of it, I do think nevertheless that those who have grave fears of its effect might consider that it was loading on the Treasury too much of a burden for the next year or two. What I want is a bill that will pass, and then I want it signed.

I think this amendment, which throws aside entirely the labors of the House and of the Senate committee, and of the Senate as well up to this time, and makes a sudden change, is most detrimental to the interests of the bill.

THE PRESIDING OFFICER (Mr. Oddie in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. BURSUM].



Mr. WALSH of Massachusetts. Mr. President, this amendment has a good deal of merit, and I would be glad to support it under ordinary circumstances. A few days ago I offered two amendments to this bill, one even more liberal in its terms than this amendment, providing for an immediate cash payment to the soldiers of the compensation found to be due them, and another amendment proposing an additional option, so that whatever adjusted compensation is found to be due should be applied to the payment of the premiums due on Government insurance, which is now under very difficult circumstances, being carried by nearly 500,000 veterans.

What has happened here since this debate began indicates that the first duty of those who really believe in this cause is to avoid having this bill subverted by loading it down with amendments which can not command the approval of the other branch of Congress or the financial officers of the administration.

Therefore I am not going to move those amendments. I am not going to vote for this amendment, although I think the committee bill is weak, is imperfect, although I think it could be greatly improved; but it is the best that can be passed by a majority vote of this body, and it at least removes all the objections that have been made to it by the Secretary of the Treasury and the Executive. Therefore I am going to do what I can to get action now, to prevent further delays, and to send this bill to the Executive; and if he vetoes it, not have him veto it because of any amendment which may have been added to it, but veto it on its merits. Neither am I going to give the Republican majority in Congress an excuse to kill this bill in conference by differences over new amendments.

This is the bill which has been approved by the House; this is the only bill which could receive a majority vote of the Republican members of the Senate Finance Committee and therefore receive a favorable report. If the bill is imperfect the majority party will be held responsible, and I intend to do nothing to give them an excuse to sidestep that responsibility.

This bill was drafted with the sole purpose and end in view of removing the financial objections raised by the Executive and the Secretary of the Treasury, and this bill, so far as I am able to interpret the language of the Senator from North Dakota, removes all objections of form upon the part of the Executive. To attach to it other amendments that materially change its form is to invite a veto. The chief objection made to the amendment of a bonus bill now has been the state of the Treasury. This bill levies no heavy burden on the Treasury now. To vote for an amendment that calls for an immediate cash payment will, in the light of what we know to be the attitude of the administration, surely furnish an excuse and reason for vetoing this bill on some other basis than its real merits.

Mr. GERRY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Rhode Island?

Mr. WALSH of Massachusetts. Certainly.

Mr. GERRY. Has the President stated that he would accept this bill as reported by the committee, if passed?

Mr. WALSH of Massachusetts. I do not understand that he has, but I do understand that he has said to the Senator from North Dakota, in substance, that in form this is satisfactory; and it meets the objection which the Secretary of the Treasury made, namely, that the condition of the Treasury did not warrant paying a substantial cash bonus at this time.

Mr. GERRY. It is my understanding that the President has not made any statement that he would sign this bill if it was submitted to him, but he stated that he would not sign any adjusted compensation bill unless there was included in the measure a means of raising the revenue.

Mr. WALSH of Massachusetts. Mr. President, I am relying upon the statement made by the Senator from North Dakota, which, in substance, is that of all the bills introduced this is the one which is most likely to receive Executive approval, and that it has been drafted and submitted to the Secretary of the Treasury and to the Executive to remove the objections made by them on financial grounds. The amendment I intended to offer was more liberal in its terms, and I would like to vote for it. But I am not going to give the Executive any excuse to veto this bill because there has been attached to it some provision which falls under his financial objection. There are some Senators here who are so antagonistic to this bill that they will vote for any amendment proposed that may lead to a tie-up here in Congress or prevent its final enactment. The result is that we may easily by offering amendments get a situation here where we have a measure made by the votes of the enemies of the bonus. I believe too much in the cause to be a party to bring about confusion.

Imperfect as this bill is, yet we are confronted with this situation: If we want to get rid of this issue, if we want to pass a bonus bill which will be likely to receive the sanction and approval of the Executive, we ought to take the one which has been drafted with the sole intent and purpose of removing the objections heretofore made by the Secretary of the Treasury and the Executive.

Therefore, Mr. President, I do not propose to offer perfecting amendments which will give any excuse to the Executive to veto this bill or to raise the question that we are not now financially in a position to pay this bonus, much as I believe that if there is a moral obligation to pay compensation to these soldiers it ought to be met now, it ought to be paid in cash, and that the Treasury of the United States is capable of meeting that obligation, and that it would be better for the country in the long run to meet the obligation now with a cash payment and close this just account.

But there is a still greater question here, the question of getting some legislation, of getting a bonus bill which will meet with Executive approval. Therefore, as a Democrat, I am going to support the bill which Republicans have drafted in large part, which Republicans in both branches of Congress have agreed to, and put the question up to the Executive solely and alone on the proposition whether he favors a bonus or not. I intend to do what I can to make the Executive take his stand in the open on this meritorious proposal to adjust the compensation of our ex-service men.

I hope the real friends of this measure are not blind to the fact that the enemies of this measure are ready to vote for any or all amendments that will bring about confusion of the issue and that will encourage a veto. There are two ways to defeat a bill; directly and indirectly loading a bill with amendments is a very helpful way to kill this bill. I therefore shall support the bill most likely to get enacted.

Mr. BURSUM. Mr. President—

The PRESIDENT pro tempore. The Chair desires to advise the Senator from New Mexico that under the unanimous-consent agreement he can not be permitted to speak again.

Mr. BURSUM. I do not think I used up my 20 minutes.

The PRESIDENT pro tempore. The unanimous-consent agreement provides that no Senator shall speak more than once on an amendment.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum, if we are about to approach a vote. If anyone desires to speak, I shall not make the point.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gooding	Myers	Smith
Ball	Hale	Nelson	Smoot
Borah	Heflin	New	Stanfield
Brandeggee	Hitchcock	Newberry	Sterling
Bursum	Jones, Wash.	Nicholson	Swanson
Cameron	Kellogg	Oddie	Townsend
Capper	Kendrick	Pepper	Trammell
Coff	Keyes	Phillips	Underwood
Culberson	King	Pittman	Wadsworth
Cummins	La Follette	Pomerene	Walsh, Mass.
Curtis	Lenroot	Rawson	Warren
Dial	Lodge	Reed, Pa.	Watson, Ga.
Dillingham	McCormick	Robinson	Watson, Ind.
Edge	McCumber	Sheppard	Williams
Fletcher	McKellar	Shields	Willis
Gerry	McLean	Shortridge	
Glass	McNary	Simmons	

Mr. SIMMONS. I wish to announce that my colleague [Mr. OVERMAN] is absent on account of illness.

The PRESIDENT pro tempore. Sixty-six Senators having answered to their names, a quorum is present.

Mr. GERRY. Mr. President, I intend to support this so-called Bursum amendment because I believe that it is an improvement on the bill brought in by the committee. The amendment provides that the soldiers shall receive 50 per cent of their adjusted compensation in cash, and that will mean that many men who to-day are so much in need of aid, some of them in dire straits, will receive their adjusted compensation when it will do them the most good. It will also be a saving to the Treasury, as the total amount to be raised under it, as borne out by the statement of the experts, will be a billion and a half dollars less than under the committee bill.

In regard to the contention that there is more likelihood of the President vetoing this substitute than there is of his vetoing the committee bill, I can find nothing to justify that assumption. There has been no definite statement from the President that I have seen or heard that he will sign the bill



reported by the committee. I for one do not intend to take a responsibility which I feel I should bear and put it upon anybody else's shoulders.

I want to see that justice is done to the soldier; I want to see that proper legislation for relief, adequate relief, is passed for the men who made great sacrifices for us, many of whom with their families are suffering, some on account of the fact that the Government bureau for giving aid to the injured and the wounded and the sick has not functioned properly, and they are not receiving that necessary assistance; others because of the industrial conditions.

I would like to see the immediate relief go even further than that contained in the amendment of the Senator from New Mexico, but under these circumstances I intend to support that amendment because, as I said before, it is an improvement on the committee bill, it would be better for the soldier and better for the Treasury and for the country.

Mr. TRAMMELL. Mr. President, within the limited time we have had for consideration of the amendment proposed by the Senator from New Mexico I have not had an opportunity to give very careful consideration to its various provisions, but this I know, that his amendment is nothing more or less than an entirely new bill upon the subject. It is by misnomer called an amendment. It should be called a substitute for the bill offered by the committee.

Mr. SIMMONS. That is what it is called.

Mr. BURSUM. It was offered as a substitute.

Mr. TRAMMELL. Now it is confessed that it is a substitute bill. The Senate within the brief time it has had to consider the question, with a limitation of 20 minutes upon debate, is called upon to pass upon an entirely different bill from that proposed by the committee.

I have been intensely interested in doing justice to the American soldier who defended and fought for our country in its hour of peril. I have felt that the Nation owed to him a debt of gratitude that could not be paid in dollars and cents, but that it might in a feeble way be expressed by some substantial token at the hands of Congress and that we should no longer refuse to give expression to the Nation's gratitude to those who rallied to the colors when called to go forth and battle for our Republic.

The bill proposed by the committee, so far as my information goes, and certainly so far as the information is concerned which has reached me from my State, has the approval of the ex-service men. They have accepted it as satisfactory, or at least as the best they felt they could obtain.

Now, if we were to depart from that measure and adopt an entirely different provision, in all probability we would bring about the defeat of the proposal that the soldier shall receive relief at the present time. Of course that is purely a matter of conjecture and a matter of speculation, but certainly if the substitute is adopted it may not be concurred in by the House, and if it was then it would probably meet with the Executive veto. We would have departed from the wishes of the ex-service men, those of us who believe that they should have some adjusted compensation extended to them, and by so doing may defeat their cause. As for my part, I prefer to support the bill offered by the committee—the bill which has been thoroughly digested, thoroughly considered from the angle of compensation for the soldiers and also with a view to not imposing too great financial hardship and taxation burden upon the American people in consequence of the enactment of such legislation.

The substitute proposed by the Senator from New Mexico provides that one-half of the bonus shall be paid in cash immediately to those who make application for a cash payment. To meet this cash payment it is estimated, so I am informed, at least \$750,000,000 would be required. That is in contrast with a requirement of \$76,000,000 or \$78,000,000 to be provided during the first year under the bill reported by the committee. Where are we going to raise that difference in the requirement to meet the cash payment under the two measures? If somebody knows where it can be raised otherwise than by taxing the American people I would like to have him point out the source of deriving that revenue and those funds except by taxation of the American people.

Mr. BURSUM. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. TRAMMELL. I will yield for a question.

Mr. BURSUM. I will ask the Senator what the difference is between borrowing \$750,000,000 upon the credit of the Government direct, and borrowing \$750,000,000 upon the credit of the Government indirectly through the banks, and if it is not true whatever moneys may be in the Treasury are the property of the people and it makes no difference whether we take

the money from the banks indirectly or whether we borrow the money directly by the Government?

Mr. TRAMMELL. The difference in the two proposals is that one provides for raising only about \$78,000,000 within the first year while the other provides for a payment which would amount to approximately \$750,000,000 in the first year. There is considerable difference between raising the smaller sum and raising the larger, whether we raise it directly or indirectly, whether we raise it upon Government security direct or whether we raise it by some circuitous route of providing the funds.

Mr. BURSUM. What about the \$700,000,000 which is to be paid by 1926, within three years, at a high rate of interest?

Mr. BORAH. Mr. President, will the Senator yield for a question?

Mr. TRAMMELL. I yield.

Mr. BORAH. Could we not raise the \$750,000,000 by collection of the foreign debt?

Mr. TRAMMELL. I would much prefer to have it provided in that way, and so far as I am concerned I think we ought to collect the foreign debt. Certainly there is enough to be derived from that source to meet the obligation that may be incurred under the pending measure.

Mr. BORAH. Why not collect \$750,000,000? We could collect it as easily as we could collect \$78,000,000.

Mr. TRAMMELL. I am discussing the substitute offered by the Senator from New Mexico.

Mr. BORAH. So am I.

Mr. TRAMMELL. It does not provide for collecting that debt.

Mr. BORAH. But there was an amendment offered by the Senator from North Carolina [Mr. SIMMONS] yesterday, which was practically unanimously agreed to by the Senate, under which there would be no trouble at all about collecting it.

Mr. TRAMMELL. It does not provide that it has to be collected, but it says that if it is collected it shall be applied, and if it is not collected then the obligation shall be paid from other funds in the Treasury not otherwise appropriated. That is the provision.

As a friend of the soldier, desiring to support legislation which has his approval and which is acceptable to him, I can not drift away and support a substitute for the bill which may jeopardize the soldier receiving any recognition at the hands of the Government. Certainly, in my opinion, the substitute is more likely to jeopardize his interests than the enactment of the measure proposed by the committee. For the reasons thus briefly outlined by me, I hope the substitute will be defeated, and that the bill as reported by the committee will receive the approval of the Senate.

Mr. WILLIAMS. Mr. President, the old, eternal warfare betwixt tweedledee and tweedledum is going on and of course will continue to go on as long as the human race lives and as long as human beings have to do something which they more or less desire to cover up. The original bill and the substitute remind me a great deal of that old and eternal warfare. Each man, whether with the amendment or with the bill, is attempting to repeat one of the most comical scenes in one of the best old English novels.

Dr. Warren wrote "Ten Thousand a Year." When Tittlebat Titmouse became a candidate for Parliament, his candidacy was carried on by a very distinguished lawyer by the name of Oily Gammon, who was of the great firm of Quirk, Gammon and Snap, who were the original inventors of the lawyers' phrase, "Admit nothing, waive nothing, deny everything."

When the time came to run Tittlebat Titmouse, who up to that time had never had any virtues of any description, but who later, when he was elected to Parliament, was found to be able to imitate the crow of a cock so perfectly as to represent a rallying cry of his own party very much in the House of Commons, Oily Gammon announced Tittlebat's election platform, and his platform was to pass a bill "to give everybody everything without taking anything from anybody."

That is about what you are all up to. You are trying to pass a bill giving not everybody everything but some three or four million people a whole lot of things and you are pretending that it will not cost anybody much of anything. The substitute, so far as I can see, is the more plausible pretense of that character than the original bill, and therefore I am going to vote for the substitute. It does at least recognize that the payment has to be made ultimately by bonds or taxes or in some other way. The bill does not recognize that it has to be paid in any way in the world. You are attempting to convince the soldier that he will get somewhere between three and five billion dollars and attempting to convince the American people that they will never have to pay any taxes to enable the soldier to get it.



It is a bill "to give nearly everybody nearly everything and to take almost nothing from anybody." That is the bill and that is all there is to it. It is all pretense. Why do you not come out openly and obey what the President said is right and sound? Put upon the bill the taxes that shall raise the amount of money that you are voting. You know that sooner or later, directly or indirectly, the American taxpayer must pay it. Why not, then, have the courage to put it in the bill? I know your answer, "But we are afraid to put it in the bill." That is your honest answer if you make any at all. "We are afraid to put it in the bill. It would render the bill so obnoxious that it would not pass or it would render the bill so obnoxious that those who vote for it never would come back to this sacred body." You are afraid to put the tax or the bonds in the bill. You hope to have it hanging over as a responsibility to be met by legerdemain of some description in the future. The Senator from North Carolina [Mr. SIMMONS] hopes that it will be paid by Serbia and Belgium and Italy and France and Great Britain.

So far as I can learn, only one of those powers is ever going to pay its debt, and that is Great Britain; she will pay hers. Italy is about bankrupt; Serbia has for many years not been anything else; Czechoslovakia has a little bit of money, but not enough to pay up and avoid revolution. The civilized world ought to cooperate to help Belgium, instead of cooperating to make Belgium pay for having been ruthlessly and unprovokedly invaded by the German armies.

Senators may say that is sentiment and that sentiment is "rot." I believe a Senator yesterday made a long speech, the sum and substance of which was that sentiment was rot. Sentiment is the only thing in the world that is not rot. The boldest, bravest, and strongest man that ever lived, after a few years, becomes dust and rot; the most beautiful woman that ever rivaled in charms the Venus or the Diana becomes rot after a little while; the most innocent child, with the clearest blue eyes, becomes rot; but a principle, an idea, a sentiment, never becomes rot. It is the only thing that never does.

The very first principle of statesmanship and the first great sentiment is to have the *courage* to do what you are going to do *openly*. If you are going to pass a bill which will result in levying upon the American people to the third and fourth generations of those who now live an immense amount of money, then come out and have the courage to do it; but between the pretenses and evasions the particular pretense and evasion offered by the Senator from New Mexico [Mr. BURNUM] is the more plausible and the more praiseworthy of the two. It comes nearer being honest and nearer being courageous.

Mr. HITCHCOCK. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. WILLIAMS. I yield.

Mr. HITCHCOCK. How would the Senator from Mississippi get around the provision of the Constitution which requires all revenue legislation to originate in the House of Representatives?

Mr. WILLIAMS. Mr. President, that question had been debated a great deal in Great Britain before it arose here, and it has been debated here. I once made a speech upon the floor of this body contending that the right construction of that provision would include all appropriation bills as well as revenue bills, because originally in the House of Commons revenue bills not only pertained to the raising of money by taxation but also the spending of money by act of Parliament; but I do not wish to go again into all that. I have in the CONGRESSIONAL RECORD about 8 or 9 pages upon that subject, but Congress did not quite agree with me about it. I agreed with the House of Representatives that not only all bills imposing taxes but that all bills making appropriations out of the Treasury are revenue bills and should originate in the House of Representatives; but my opinion upon that subject is somewhat peculiar and a little lonesome. In this debate I am assuming that the parliamentary record of what in my private opinion is wrong has been historically recognized as right.

Mr. HITCHCOCK. This is not a matter of appropriation. The question is, should we put on this bill a provision for raising revenue to meet its provisions? How are we going to get over the constitutional provision that the Senate has no power to originate such legislation?

Mr. WILLIAMS. I shall not enter into that. The House of Representatives has sent this bill over here and there is not a Senator here who does not know that it necessitates taxation. Necessitating taxation, and the Senate having the power to amend a bill which necessitates taxation, it can do it by providing new methods of taxation or new methods of payment not involving immediate taxation, and that has been the uniform course of American parliamentary history.

However, Mr. President, how is the money to be raised that will pay for the Liberty bonds and the Victory bonds? By taxation, is it not? How can we avoid that taxation by simply providing that a certain amount of money collected from our foreign debtors shall be appropriated out of the Treasury to a certain purpose? We do not avoid it; we merely deflect it. We must finally make the taxation apply to the taxpayer. The House of Representatives avoided its duty because it did not have the courage to face it. It said that it would not provide any method whatever of paying this money, although it was going to appropriate it out of such sums in the Treasury as were "not otherwise appropriated."

However, all the sums in the Treasury are appropriated for the next year and there will be a deficit, I believe, of several hundred million dollars. That is the courage that is exhibited by the House side and by this side. The Constitution says that the House shall originate revenue measures, but it also says that the Senate shall have the power to amend them. This is a revenue measure absolutely and necessarily, and no honest man can deny that there must be taxes levied, collected, and paid in order to meet its obligations.

Mr. ROBINSON. Will the Senator yield to a question?

Mr. WILLIAMS. Yes.

Mr. ROBINSON. The Senator from Mississippi has just stated that this is a revenue measure because it makes necessary the imposition of taxes in order to meet the obligations which it creates. Is that the Senator's definition of a bill raising revenue? Another question: Does the Senator not know that the Congress is in the habit of passing appropriation bills without providing the revenue in those bills with which to meet the obligations created?

Mr. WILLIAMS. Oh, Congress has several bad habits. The Senator has just pointed out one. Yes; whenever there is money in the Treasury that course is excusable, but when we have not, which we now have not and which the Senator knows we have not, we ought to take a straighter course.

Mr. ROBINSON. May I ask the Senator why he insists upon applying to this particular bill the principle of requiring—

Mr. WILLIAMS. I am not applying the principle to the particular bill; I am applying it to this particular situation which I have mentioned. We have not the money in the Treasury, and the Senator knows we have not got it.

Mr. ROBINSON. Very well; but we are also making appropriations for hundreds of other subjects, though we have not the money in the Treasury to meet them. We have authorized by amendment to this bill the appropriation of \$350,000,000 for reclamation purposes, and yet we have not the money in the Treasury to meet that obligation. We are also authorizing appropriations for divers other subjects.

Mr. WILLIAMS. I know that.

Mr. ROBINSON. Why insist upon imposing in this particular bill a revenue provision—

Mr. WILLIAMS. I think I am talking under a time limit, and must, therefore, decline to yield further. I know what the Senator from Arkansas has stated, and I also know that three or four or five wrongs do not make a right, and that we ought not to be doing the very things against which the Senator enters his solemn complaint.

Now, however, our income-tax yield is running behind from forty to fifty million dollars a month—I believe that is the figure—and we are expected to come out at the end of the fiscal year with a deficit of from \$300,000,000 to \$400,000,000 in the payment of current expenses. Every man knows that not a dollar of the money proposed to be granted under the pending bill can be paid, provided all the other appropriations which were passed previously are paid, unless some taxation is levied upon the American people. To go back to what I said before, this is an attempt to make the soldier believe he is getting nearly everything and to make the taxpayer believe he is not paying anything. Other Senators know as well as I do that that is not true; that that is a false pretense; that every dollar that a soldier gets, if he gets it, somebody must pay. Other Senators know as well as I do that public money does not come down like manna from heaven to the children of Israel in the desert; they know as well as I do that the Government is not an independent financial entity; that it has no pocketbook at all, but that its so-called pocketbook is the pocketbook of all the people who pay the taxes.

If we are not going to do any better, we had better provide in this bill for the issuance of bonds. That would avoid the constitutional question, because Congress has a right to provide for the issuance of bonds under a bill originating either in the Senate or in the House, according to our uniform, though, in my opinion, mistaken practice. If we are not going to pay



the cost of this bill out of taxation, why not pay it out of bonds, and let the bill provide that the bonds shall be issued and floated at whatever the price they will float when bought by the people? The truth is, however, it is desired to avoid the appearance that it costs anything, but it is only the appearance that can be avoided; the thing itself can not be avoided.

Mr. POMERENE. Mr. President, I should like to ask the Senator from New Mexico [Mr. BURSUM] a question or two before making the observations which I intend to make with respect to the substitute amendment proposed by him. I did not hear the first part of the Senator's explanation of his amendment this morning, but as I understand it, if his proposed amendment shall be adopted the total obligation assumed by the Government in payment of adjusted compensation, and not including interest, would amount to about \$1,560,000,000. Am I right?

Mr. BURSUM. That is correct.

Mr. POMERENE. Under the Senator's plan it is proposed that one-half of that amount shall be paid in cash and that the Government's obligations shall be given for the other half. Am I right about that?

Mr. BURSUM. That is correct, except there is a provision that there shall be paid in full all those claims amounting to \$50 or less.

Mr. POMERENE. And the deferred payments are to earn 3½ per cent annual interest?

Mr. BURSUM. That is true.

Mr. POMERENE. I also understand that, assuming the Government would have to borrow the money with which to pay both the cash payment and to pay the bonds or certificates at the time of their maturity, the Senator estimates the interest thereon will amount to, in round numbers, about \$1,000,000,000, assuming that the money must be borrowed for a period of 20 years.

Mr. BURSUM. Nine hundred million dollars plus the interest on \$60,000,000, which would be about \$5,000,000 more, making a total of about \$905,000,000.

Mr. POMERENE. So that the Senator estimates that the total cost of his proposed substitute, including interest, will be \$2,465,000,000.

Mr. BURSUM. Yes; that is approximately correct.

Mr. POMERENE. I thank the Senator for that information. I notice by the report which has been presented by the committee that the total cost of the pending McCumber bill will be, in round numbers, about \$4,000,000,000. The estimated cost as set forth in the report is \$3,845,659,481. For the purpose of my remarks I am going to assume that the sum is about \$4,000,000,000, although from the investigation and study which I have given this subject I am inclined to think the total cost under the McCumber bill will be something over \$4,000,000,000. Now, the business proposition presents itself: Shall we so legislate here to-day on this subject as to incur an indebtedness of \$4,000,000,000, or shall we so legislate as to make that indebtedness \$2,465,000,000? What does business judgment suggest to the Senate of the United States? What is our duty to the taxpayer?

More than that, one of the reasons for passing this law at this time is the need of the veteran. Under the McCumber bill we pay in cash those found to have a service credit of \$50 or less. To the balance of them we give a certificate payable in 20 years. The veteran can not use his certificate except to go out and make a loan. If he can not get a loan, if the banks for some reason or other refuse to make the loan—and it is only banks that are authorized to make the loan, not individuals—when they make their loan they are entitled to charge 2 per cent in excess of the amount which they must pay when they go to the Federal reserve bank for a rediscount; and, as has been pointed out very clearly by the Senator from South Carolina [Mr. SMITH], the rate of interest which the veteran may have to pay in one bank district may be 5 per cent, in another it may be 6, in another it may be 7; and to me that is the most objectionable feature of the McCumber bill.

We say to the veterans: "Here is a piece of paper. Go and hawk it about the banks to see whether or not you can get a loan." What more do we do? We say to the veteran, "We owe you \$100. We are going to increase that 25 per cent; we are going to have it draw 4½ per cent compound interest to meet your present necessitous financial condition." Is it going to be any credit to the United States to have these countless certificates hawked about from one bank to another?

No, Mr. President; I can understand how there can be an honest difference of opinion as to whether or not we shall pass any legislation upon this subject at the present time; but having decided that we are going to do it, let us do it in some form which will comport with the dignity and honor of the

country. Let us as a Government, if necessary, raise these funds—and I am not going to discuss that question now—but let us raise the money and not ask the veteran to go out and raise it. I would as soon see every bank place up in front of its door the three balls with which some are familiar as to have the veterans go around in this kind of a way. We say we are doing this for the love of the veteran. If we are going to do something, let us do it in a manly way. By adopting the amendment presented here by the Senator from New Mexico [Mr. BURSUM] we are saving to the Government and to the taxpayers of the country approximately \$1,500,000,000.

Why, Senators, assume this was your personal obligation. How would you finance it? By issuing your notes and having the holders go around and hawk them about from bank to bank? I think not. I think you would devise some plan whereby you could go to some one bank or a combination of banks, present your obligations with your securities, and have them discounted.

If an individual debtor should scatter his small obligations about in this way, the commercial world would say he was in failing circumstances. Is the situation changed because the Government is the debtor?

Mr. President, I do not care at the present time to take up the general proposition. I may do that a little later, but as business men, as Senators who are supposed to have a regard for the Public Treasury as well as for the taxpayers and an abiding interest in the veterans themselves, let us give this recognition in a straightforward way. Let us get the money and have done with it.

Mr. HEFLIN. Mr. President, I feel very much as my friend the Senator from Florida [Mr. TRAMMELL] feels upon this subject. I am anxious to provide adjusted compensation for the soldiers. I am afraid that there is a disposition on the part of some of those who oppose adjusted compensation to load down this bill with so many amendments that it will be in such shape as would afford the President a good many excuses to veto it. We do not want that to happen.

The bill, in the main, as it came from the House is, I understand, acceptable to the ex-service men, and we have improved that bill by the amendment offered on yesterday by the Senator from North Carolina [Mr. SIMMONS].

That amendment provides for the collection and use of the interest on the debt due us by foreign countries for the purpose of paying this adjusted compensation to our soldiers. That interest amounts now to more than \$1,000,000,000. I called to the attention of the Senate yesterday the fact that France and England had paid to private interests in Wall Street \$1,700,000,000, and I submitted then and submit now that if France and England can pay debts in this country due to private persons they certainly can pay the interest upon the debts due to us. When France and England have used the money they have borrowed from us to square the debt with their soldiers, to pay them an adjusted compensation, they can not now complain if we demand interest upon that money sufficient to square the account with our own soldiers.

Mr. President, the news of the adoption of the amendment of the Senator from North Carolina [Mr. SIMMONS], if it was cabled to Europe last night, threw consternation into the camp of some of our American editors sojourning now in the Old World. For weeks and months a propaganda has been carried on to cancel this indebtedness to the American people. Wall Street interests are seeking to have it canceled. Certain American financiers will make hundreds of millions of dollars if they can have it canceled. Their pay as commissions upon this \$11,000,000,000 would amount to several hundred millions of dollars. If certain newspapers in this combine with Wall Street financiers can engineer this deal through and deprive these soldiers of adjusted compensation and have this debt canceled, as they hope to do, they will all make big money out of the deal. Some of them are not moved in any way by sympathy for the people of the countries that owe us. They are moved by what they are going to get in cold cash if they can get our Government to cancel this debt of billions.

The Washington Post this morning has a misleading article about this foreign debt—and I want to say that no Senator in this body ever heard before of the suggestion that it contains. The proposition has been to cancel this debt. Men high in authority in this land have been working to cancel this debt. Newspapers, prominent dailies, have advocated canceling this debt. The editors to whom I have referred time and time again are in Europe now, some of them, sojourning for a time, looking out for ways and means of shaping public opinion in the United States to get our people worked up to the point where they will forgive this debt, while 4,000,000 of American soldiers, who saved the liberty of the world, are mistreated, neglected, and seemingly forgotten.



Here is what this article says. It is a nice suggestion on the printed page of a big daily paper in Washington:

But the amendment to set aside interest on America's foreign obligations for the bonus involves other considerations which admittedly can not be overlooked. In the first place these funds have been counted upon to reduce America's national debt and liquidate Liberty bonds, Treasury certificates, etc.

That is the first suggestion we have had to that effect. This thing was being babied along to suit the cancellation group; but when the Senate yesterday, by a good vote, voted to collect the interest upon this foreign debt it sent consternation into the quarters of the money changers of the Republic. This morning they are sounding the alarm. They are going to try to have that provision taken out of this bill. Watch for that.

Here is an opportunity to pay this soldiers' adjusted compensation without taking a nickel out of the Treasury, without taxing the American people one five-cent piece, by demanding enough of this foreign debt to square the account with our soldiers.

Mr. TOWNSEND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. HEFLIN. I am glad to yield to the Senator.

Mr. TOWNSEND. I think the Senator will see, if he reads the article very carefully, that it probably does not make a misstatement in reference to the bonds. I think the second Liberty loan act provides that the proceeds of the sale of those bonds shall be used for the liquidation of the public debt. Where the Senator differs and where the Senate differs from the article in the paper is that that provision of the statute applies simply to the sale or disposition of the bonds. It does not apply to the disposition of the interest on the bonds, to which our amendment does apply.

But it is true, as they say there, that these bonds have already been cared for in the sense that when they are sold or paid the proceeds shall be applied upon the bonds which have been issued at that time.

Mr. HEFLIN. Mr. President, I now come back to my proposition that this debt is long past due. It is over \$10,000,000,000, and the interest has accumulated until it amounts to more than a billion dollars and none of it has been paid. The propaganda has been going on in this country to forgive this debt, to cancel this debt, to wipe it out. Men stand up in this body and talk about how hard it would be to raise a half billion dollars for our soldiers, men who are ready in secret council to vote to forgive this debt of \$10,000,000,000 and let it be wiped out entirely.

I call to mind again what I witnessed here when those boys were going off to battle, how these men who have since forgotten cheered and how they seemed to point with pride to those gallant soldiers of our country. I recall the time, to which I have referred once before, when on the firing line in France the question was a little in doubt for a time as to who would win the day. Some of our soldiers were there participating with the Allies, and we were hoping and praying in our hearts that the Allies could hold the line until our men could arrive. We were saying, "If they do hold it until our boys get there, our cause will be triumphant."

One day our boys arrived at the battle front in France. Then the casualty lists commenced to appear in the newspapers here at home. The Washington Post, a copy of which I hold in my hand, had columns filled with the names of the gallant boys, in the flower of their young manhood, killed in action the day before, carrying the spirit of America with our flag. Those casualty lists grew larger and larger as the days came and went, and as we read down the columns all of us saw the names of boys from our States who had fallen in the conflict serving our country. These purse-proud, hidebound profiteers were then saying, "We would be willing to give half we have if we could win this war and bring those boys home in safety." They had a little heart left then, some pride and patriotism, and were willing then to divide what they had. They said they would be willing to give half they had if they could just end the war in victory and bring the boys home. Those boys, God bless them, ended it in victory and came home—most of them—and what did they find? They found the Republicans in power in both branches of Congress.

What have you done for them? You have shut the door in their faces for four years; and they are still standing out yonder neglected and seemingly forgotten, asking simply that you grant to them adjusted compensation of \$1.25 a day—a human being, a brave young American out on the battle line, with death raining all around him, \$1.25 a day—and you are voicing here the profiteer's spirit, saying that you can not raise the money to pay these boys.

The foreign countries owe us \$10,000,000,000, and you do not want to collect it. They have a lot of friends around here who have not come out in the open yet, but who favor the cancellation of the debt. Here we are, with the amendment of the Senator from North Carolina adopted, and it provides for going after the interest on that debt. This morning when Wall Street woke up and found that we had started toward the collection of that debt they sounded the alarm to those of the inner council, where they have been planning for months to have the Government cancel that debt and maybe make a million dollars in commissions. This disturbed their well-laid plans to have the debt canceled, through which action they expected to make millions.

Yet Senators on the other side stand up here and talk about the valor of the soldier, and how much they love him; but they would not insult him by offering him adjusted compensation. The Master said, "I was hungry, and ye gave me to eat. I was naked, and ye clothed me," and "Inasmuch as ye did it unto one of the least of these, ye did it unto me." But these men think so much of these boys now they do not want to warm up their stomachs with a good warm meal, and they do not want to put good clothes on their backs, because they are afraid they will hurt their feelings and cheapen their patriotism.

Do you know what they remind me of, those who say, "I honor and love him," and shake his hand and put their arms around him as if to kiss him, and then vote to deny him adjusted compensation?

They remind me of Joab and Amasa. What happened to Amasa? He walked out in front of his men, and Joab approached him as a friend, with a cloak on, and with a sword hidden in the folds of his cloak, and as Amasa walked along regarding him as a friend, Joab walked up to him, took him by the beard, as if to kiss him, and said, "How is it with thee, my brother?" and then stabbed him under the fifth rib with his sword. We are having that treatment accorded to the American soldier by Senators, who say, "How is it with thee, my brave boy, honored soldier of my country?" They put their arms around him and say, "How is it with thee?" but stab him with the dagger of neglect, injustice, and ingratitude. That is what we are having, while some are scheming behind the curtains to forgive the debt in order to make millions and hundreds of millions in commissions.

My prayer is: God of the Republic, touch the moral consciousness of the men in this body and touch the hearts of the Members in the other branch, touch the spirit of the President, arouse the men and women of the Republic. God save our Republic from such international bartering, and God save our soldiers from such un-American, unjust, and cruel treatment.

Mr. NEW. Mr. President, there are occasions when I agree with the senior Senator from Mississippi [Mr. WILLIAMS], and one is afforded by what he said this morning with reference to the imposition of a direct tax for the payment of this so-called bonus. If the bill is to be passed at all, I think that is the only possible honest way to provide for it.

I would therefore vote for the imposition of a sales tax, as I have several times said, to provide the money with which to pay the bonus, if this bill is to be passed. I doubt very much whether such a provision would prevail; but I think it is the only honest way for the Senate and for Congress to approach this subject, to frankly and squarely impose a tax to be devoted to that specific and particular purpose.

Mr. McCUMBER and Mr. ROBINSON addressed the Chair. The PRESIDENT pro tempore. Does the Senator from Indiana yield; and if so, to whom?

Mr. NEW. I yield to the Senator from North Dakota.

Mr. ROBINSON. How does the Senator expect—

Mr. NEW. The Senator from North Dakota was addressing me.

Mr. ROBINSON. I understood the Senator to yield to me.

Mr. NEW. I will yield to the Senator in a moment.

Mr. McCUMBER. The Senator does not admit for a single moment that the Senate can originate a bill for revenue, does he?

Mr. NEW. No.

Mr. McCUMBER. Therefore it is not in our power even to put an amendment on the bill providing for a tax.

Mr. NEW. I am addressing myself to the subject generally. Now I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from North Dakota has asked the question I intended to ask.

Mr. NEW. Mr. President, I shall also vote for the Bursum amendment, because I think it is a vast improvement over the McCumber bill, which is now before this body. I voted for the



McNary amendment, and I voted for it in good faith, because I believe that amendment provides an opportunity for the soldier to get something ultimately that will be worth his while, whereas the McCumber bill, in my judgment, gives him something that is entirely inadequate and in a way that does him no good whatever, now or later.

The Senator from Michigan [Mr. TOWNSEND] mentioned a moment ago the fact that the second Liberty loan act provides that the foreign debt when paid shall be devoted to the extinguishment of those bonds.

Mr. McKELLAR. Mr. President—

Mr. NEW. In a moment. Last night when the amendment of the Senator from North Carolina was presented for adoption, I think I was the only Member of this body who voted against it, and I voted against it partly because I thought I recalled such a provision in one of the Liberty loan acts. I thought I knew also that the present provisions for the sinking fund take into account the expectancy that a certain sum shall be received from interest on those bonds and devoted to that subject. Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I just want to call the Senator's attention to the provision about which he is talking. I have it before me. It is not in the second Liberty loan act, but in the first Liberty loan act, under which \$3,000,000 were loaned to our allies. It is found in section 3, and I am going to read it to the Senator, so that he and others who are interested in it may see the exact wording of this provision. It is as follows:

SEC. 3. That the Secretary of the Treasury, under such terms and conditions as he may prescribe, is hereby authorized to receive on or before maturity payment for any obligations of such foreign governments purchased on behalf of the United States, and to sell at not less than the purchase price any of such obligations and to apply the proceeds thereof and any payments made by foreign governments on account of their said obligations to the redemption or purchase at not more than par and accrued interest of any bonds of the United States issued under authority of this act; and if such bonds are not available for this purpose, the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to call or which may be purchased at not more than par and accrued interest.

That provision does not occur in the subsequent acts under which the money was loaned. It applies in the first place, therefore, simply to the \$3,000,000,000 first loaned to our allies. The Senator can see also that it is a mere authority. It is not a direction to the Secretary of the Treasury. The Senator will also see that it does not appropriate the money. It does not place a trust around this money in any way whatsoever. It is a mere authority, and it can be applied not only to those obligations issued under the act but to any other interest-bearing obligation issued under the act, and for that reason I think certainly there is no trust surrounding even this \$3,000,000,000 loan.

Mr. NEW. Mr. President, I had not read the act last night, nor have I read it this morning, but my recollection of it has been refreshed, and I am still of the opinion that the obligation rests upon the Government to devote the money received from those foreign loans to the extinguishment of the Liberty bonds. Certain it is that those bonds were sold to the public upon the strength of the declaration made by the Government of the United States that the proceeds of the foreign loans, whatever they might amount to, would be devoted to that end.

Mr. LODGE. May I say that it is most certain that there was no such provision in that law, providing what we should do with the proceeds in any way. I helped to draw the bill, and I think I am right.

Mr. McKELLAR. Will the Senator repeat the statement? We could not hear it over here.

Mr. LODGE. I said there was nothing in the act which prevented our using the funds from those debts, when repaid, for any purpose we choose, as I recall the act. I do not have it before me at the moment.

Mr. McKELLAR. I think the Senator is entirely correct.

Mr. LODGE. I took part in drawing the act with the Senator from North Carolina, and there is no restriction. We could use the money from that debt, when repaid, for any purpose we choose.

Mr. McKELLAR. I think the Senator is correct.

Mr. NEW. However that may be, I am as certain as I am that I stand here, that the bonds were sold to the American public upon that guaranty by the Government of the United States.

Mr. SIMMONS. I think possibly the Senator from Indiana has been misled by some publication or some propaganda which has been going on. There is nothing in the law, as I recall it, that requires a specific use of the money.

Mr. EDGE. Mr. President—

Mr. NEW. I yield to the Senator from New Jersey.

Mr. EDGE. I was very much interested a moment ago in the Senator's reference to the wisdom of imposing a sales tax to provide money with which to pay the bonus. I assume, without any question of doubt in my own mind, that those Senators who are particularly strong for the passage of the bill want the soldiers to get the money. Is it not true, from all information we have, that the bonus bill can not become a law unless the method of producing the revenue is provided through the medium of the sales tax? Is there not every indication pointing to that as a fact, that unless the sales tax is actually adopted as the method of obtaining the revenue, it is at least questionable whether the bonus bill will ultimately become a law?

Mr. NEW. Does the Senator mean by that to ask me if I believe that the President would veto any bill that did not contain a provision of that kind?

Mr. EDGE. Certainly. There is every indication that we have seen in the public print to that effect. Personally, I take that viewpoint and gather that understanding.

Mr. NEW. I have no authority whatever to represent the President in any such matter. I know what he has publicly said in this Chamber. I know from his various utterances from time to time how his mind is running with reference to the matter, but I have not at any time or at any place assumed to state what he would or would not do. That is for him to say. But speaking for myself I repeat what I said in the first instance, that I think the only honest and fair way to approach the question at all is to do it by the imposition of a tax that is to be devoted to that specific purpose.

Mr. President, I think that a lot of the argument which has been going on here is all folly. It has been to the effect that diversion of the proceeds which we are to receive from the foreign loans is to be made to relieve the American public of the burden that would otherwise have to be imposed by a direct tax. Why, Mr. President, that is so simple and so manifestly absurd on the face of it that one ought not to dignify it by a reference. If we do not take the money received from the bonds and apply it to the payment of the public debt, of sheer necessity we must raise a like sum of money from other sources and by other means to be devoted to that particular thing. There is no getting around it. There is no way to pay a debt except by digging down and getting the money to pay it, not even, as was suggested here yesterday, by the giving of a note.

I think that the Senate yielded to an attack of emotional insanity in attempting to provide for the payment of the bonus by the diversion of money that is to be received from a public debt. Why, we have not that money. We have no guaranty that we shall ever get it. Senators talk about propaganda that has been indulged in looking to the forgiving of those debts. Yes, Mr. President, there has been propaganda. I have read what Mr. James M. Cox said the other day and what Mr. William Jennings Bryan has said and what various other people in both political parties have from time to time said on that subject, but I have looked in vain for anything that has ever been said by any responsible officer of this administration which indicated a purpose on the part of the administration to forgive the debts that are owing to us by our former allies. I think they are regarded as just obligations and that it is the purpose to collect them. Furthermore, Mr. President, this Congress has created a commission for the purpose of negotiating for the payment of those obligations, and now we come in here and incorporate in an amendment, and I think without proper deliberation, a provision that in every way interferes with and hampers the conduct of that commission in the consideration of the subject. I can not agree to that at all. It was by reason of that fact that I voted as I did on the division last evening.

Mr. BURSUM. Mr. President—

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. NEW. Certainly.

Mr. BURSUM. I desire to call the attention of the Senator from Indiana to the fact that about \$3,000,000,000 has already been paid by the taxpayers of this country on account of those bonds. The interest has been paid by the taxpayers of the country. While it is true that for the time being the foreign debt was expected to be paid, it was not forthcoming, it was not available, and therefore it could not be used, but the taxpayers of the country have paid about \$3,000,000,000. Therefore, I assume that to that extent the foreign debt would be absolutely free for such use as the Congress might deem proper to make of it at least to that extent.



Mr. NEW. I am not willing to concede that any of the money owing to the United States shall be absolutely free until the debt that the United States has solemnly promised to pay has been paid. I believe that the Government should consider its obligations as private parties consider theirs, and so long as the Government owes money, and particularly when it owes it to its own people who have bought its bonds with money earned in the sweat of their faces, that it is due to the maintenance of the honor of the Government that those bonds be taken up as quickly as possible.

Mr. HEFLIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Alabama?

Mr. NEW. I yield.

Mr. HEFLIN. I would like to ask the Senator if there is any debt more sacred than the debt we owe to the soldiers who saved the life of the Nation and the liberty of the world?

Mr. NEW. Oh, Mr. President, that is an academic question. I do not think it is to be taken seriously at all.

Mr. HEFLIN. It does not seem to be taken very seriously by the Republican Party.

Mr. NEW. Of course, there is no debt that equals a debt of honor and an obligation of that character. But, Mr. President, the Senator from Alabama to the contrary notwithstanding, that kind of a debt can not be paid in dollars and cents.

Mr. HEFLIN. But it makes the soldier mighty comfortable by giving him something to eat and wear.

Mr. LODGE. Mr. President, we lent to foreign nations some \$10,000,000,000, and, with unpaid interest, I think the debt now amounts to more than \$11,000,000,000. That money is just as much ours to dispose of, if we ever get any of it, as any other part of the funds of the Nation. Assuming that the pending bill or a bill is passed providing for the payment of the adjusted compensation to the soldiers, that obligation will be paid. The argument of my good friend from Indiana would be that we must not pay anything or spend any money while there is an outstanding bond of the Government. We have gone on for a good while with bonds outstanding making large appropriations simply for the ordinary work of carrying on the business of the Government. Of course, that must be done.

These debts are all bonded debts with time limit. If we get any payment of interest from a foreign debt, we can devote that, like any other revenue of the Government, to any purpose that we may choose. There is nothing sacred about the return of money from that debt, nothing whatever. We borrowed the money of the people for a great deal more than that debt to pay the expenses of the war, but we go on carrying on the business of the Government and paying the debt as we go, as all other nations do and as we have always done.

If the pending bill passes in any form, as I hope it shall, we shall have to pay the obligation it creates, and whether we take the money from loans paid back to the United States or whether we take it in any other way the people of the United States are going to pay it. I myself much prefer that it should be raised directly by taxation, and have said so in public many times. I think the House ought to have put on the bill a provision for raising the money by taxation. If the bill passes, the money will have to be paid by the people of the United States sooner or later. It is all going to be paid, and it can not be avoided. The direct way always seems to me the best way. As for putting on such a provision now, constitutionally we can not originate a revenue tax here. We can not raise revenue by an amendment to a bill which is not a revenue bill. It is out of the question to put it on here. If we did put it on the pending bill it would not be the sales tax that would go on, but it would be the excess-profits tax.

Mr. WILLIAMS. Mr. President, will the Senator pardon a question?

Mr. LODGE. With pleasure.

Mr. WILLIAMS. I heard the Senator say that he hoped this legislation would be enacted, but that we could not put a taxation provision upon the bill because of the Constitution of the United States.

Mr. LODGE. Yes; that is my judgment.

Mr. WILLIAMS. Does that prevent our sending the bill back to the House with an injunction that they shall perform their constitutional duty before we attempt to make it a law?

Mr. LODGE. Of course, we can reject the bill in various ways, and one of them is to kill it in conference, as will be done by the Bursum amendment, in my judgment.

Mr. WILLIAMS. Could we not pass the bill with an amendment which would require the House to perform its constitutional function?

Mr. LODGE. I do not think we can put on the bill an admittedly unconstitutional amendment.

Mr. WILLIAMS. Then if it is unconstitutional because the House has not originated taxation in connection with it, how does it come to its passage with that defect in the bill?

Mr. LODGE. I do not think it has that defect as it stands.

Mr. WILLIAMS. That is the point of difference between us.

Mr. LODGE. I think we are creating a charge upon the Treasury by issuing certificates which will all have to be paid sooner or later, of course, and, if necessary, be paid by taxation; but I do not think at this stage we can attach an amendment to the bill which we admit is unconstitutional.

Mr. WILLIAMS. That is what I am aiming at. Why could we not, then, attach an amendment to the bill providing for certificates or providing for bonds which would require the House of Representatives either absolutely to accept that provision or to originate a tax scheme in connection with the bill?

Mr. LODGE. I do not think we can compel the House in that way. Of course, to send it back with a provision that no House of Representatives would ever accept would be one way of killing the bill, and that is, of course, what this amendment would do, and every Senator who is against the passage of the bill would vote for such an amendment.

Mr. SIMMONS. Mr. President, in offering the amendment which is now the subject of discussion I had three definite objects in view: First, inasmuch as the President had stated through the press that he would not sign the bill unless it provided means for the payment of the amount required, I wished to supply the means of payment so as to remove all excuse or reason on the part of the President for vetoing the measure.

Secondly, Mr. President, I knew that there were certain interests in the United States which were very apprehensive that if this measure should pass it would result in additional taxation, and, as the Senator from Massachusetts has said, they had in mind particularly an excess-profits tax and perhaps to some extent a sales tax. I thought it was important in connection with this matter, if possible and feasible, to quiet those apprehensions on the part of the business interests of the country. If the bill had passed without any provision for the payment of the obligation incurred, that apprehension would have been accentuated. The business interests would have been in constant fear that resort might be had again to an excess-profits tax or that the income tax might be increased or that a sales tax might be imposed.

Thirdly, when a similar amendment was offered by me some time ago to the revenue bill—I did not take the time to refer to this point yesterday—I urged its adoption upon the ground, among others, that the dedication of this fund for the payment of our obligations to the soldiers would take away from foreign countries some of the inclination to insist upon the cancellation of their debts to America, and that it would be notice to them that we did not intend to cancel their debts. I have for a long time thought that the constant hope in the breasts of the statesmen of foreign countries that sooner or later these debts might be canceled has interfered with and retarded the adjustment of our foreign loans.

Mr. President, the Senator from Indiana [Mr. New], who is the sole Senator in this body who on yesterday voted against this amendment, voices here to-day as the reason for his opposition some suggestions which I have read in one or, perhaps, two newspapers. He broadly intimates that the adoption of the amendment may lead to a veto on the part of the President. If that is true, Mr. President, then one of the reasons which prompted me in offering the amendment, and I think one of the reasons which prompted the Senate in supporting the amendment, was based upon a false assumption of the effect of the amendment upon the presidential mind.

If I understand the attitude of the President of the United States with reference to this measure it is expressed in the message which he delivered to the Senate at the time he asked that the bill be recommitted to the Finance Committee. I think we have the right to take the President at his word and to assume that he has been candid with the Congress. In his message he said that the Treasury of the United States was in such financial straits that it would be inexpedient and unwise to pass legislation proposing to create additional obligations requiring immediate payment; in fact, he went so far as to say that, if it would not bankrupt the Treasury at that time, it would greatly embarrass the Treasury and the administration of the finances of the Government. Later he supplemented that statement with the suggestion that if a sales tax were provided that difficulty would be removed; that is, he indicated that he would prefer, if this legislation were to be en-



acted, that the money be raised by a sales tax. That suggestion met with universal criticism and disapproval throughout the country. Then the President, if the authorized statements emanating from the White House are to be accepted, indicated that he would require, as a condition precedent to signing the bill, that the means of its payment be provided in the act itself.

For months, in connection with the question as to whether the President would approve or disapprove the bill, the idea in the public mind—and that idea was created by statements from the White House—was that it would not meet with a veto if the means were provided for its payment. That meant, of course, if those means were provided in such a way as not to embarrass the Treasury in the manner indicated in the President's message.

At the time the President's message was delivered the proposition was to pay the whole amount of this indebtedness in cash or by some land settlement. The insurance feature had not then been introduced or suggested. The amount that then would have been required would have run up into the billions, and an appropriation of money to that amount would have been, in the conditions in which we then found ourselves and, indeed, in which we now find ourselves, embarrassing; but that danger is obviated by the provisions of the bill which we are considering. The bill we are now considering does not provide for many years to come an appropriation that will reach as much as \$100,000,000 in any one year. Surely, under such circumstances, the President's position must be interpreted to mean that if we provide a way of payment for this lesser sum such action will not embarrass the Treasury, and his objection to the legislation—which I understood him then to declare he favored in principle—would be removed. We now propose to provide even an easier way, so far as the difficulties of financing by the Government are concerned. We provide for the dedication to this purpose of the interest, or so much as may be necessary of the interest, accruing from obligations of foreign governments owed to us.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. I trust the Senator will pardon me for one moment.

So, Mr. President, I can see no reason, if this bill be passed, why the President of the United States should veto it upon the grounds of opposition stated at the time he asked that the measure be recommended to the Committee on Finance.

Mr. McKELLAR. Mr. President—

Mr. SIMMONS. I wish the Senator would withhold the interruption, because I am afraid I will exhaust my 20 minutes before I say what I desire to say. If I have any time left after concluding I shall be glad to yield.

The Senator from Indiana says that we have dedicated the money to be derived from foreign obligations to the liquidation of the Liberty bonds and Victory bonds issued by our Government. The Senator is quite in error, Mr. President, because there is nothing in the law which makes any such provision or imposes any such condition as that. If there were, it would not be in the nature of a condition. No holder of those bonds to-day doubts their solvency; no holder anticipates any defalcation in the payment of interest or of principal when due, and it would be perfectly legitimate for us by subsequent legislation to modify such a provision if it were embodied in legislation, but in fact no provision of that sort was made.

I have seen in the newspapers—and the Senator from Indiana gave expression to that apprehension—that the adoption of this amendment would in some way or other embarrass and handicap the commission which is now engaged in trying to adjust the amount of the indebtedness due by foreign countries to our Government. What has that commission, Mr. President, to do with the disposition which the United States intends to make or shall make of the interest which it receives or of the bonds when they are delivered? What right have the foreign debtors of the United States to interfere in any way with the American Government's disposal of the interest which they pay us or with the bonds which they deliver to us? Of course the suggestion that my amendment would interfere with the funding of the debt is without merit or force, and, indeed, is quite absurd.

So far as foreign Governments are concerned, one thing that this amendment will do, and one thing that we desire it to do, is this: Those foreign Governments will be given to understand, once and for all time, that the United States intends that these obligations shall be met, and that we do not intend voluntarily to surrender or cancel them. We want to put an end to any vain and unreasonable hopes upon the part of our debtors that

something may turn up whereby the United States may be cajoled or persuaded to a relinquishment of those debts. There is much that affects the stability of business conditions in the United States involved in that situation. These debts are large. Measured by any other obligations that ever existed in this world, they are gigantic; and yet, while some of our debtors may not be able to meet them in full, most of these debts are due us by countries that are to-day in just as good condition as we are.

I do not care what you say about the difficulties of France; I know that to-day there is no country in the world that is more prosperous than France. There is no country in which business affairs are moving on as smoothly as they are in France. France to-day is able to maintain the biggest army, outside of Russia, in the world, and she is maintaining it. Her factories are running full time. They have been rehabilitated. Her sons find constant and lucrative employment. She is able to pay, and, as for me, I say let her understand that she must pay her just debt to America.

So far as Great Britain is concerned, while she has incurred an immense obligation, not only to us but otherwise, no country in this world is better able to meet her financial obligations than Great Britain. If she has some little difficulties at this time, they are difficulties which can be overcome by a great empire like that—an empire upon which the sun never sets; an empire that has her colonies scattered throughout the world feeding her domestic industries. She is just as able to pay her obligations as the United States is to pay our own obligations. Let England also understand that we have already given her enough, and that she must pay her debt to America.

This talk about cancellation of the debts, this hesitation about the settlement of these obligations, ought in some way or other to be brought to an end; and I know of no better way to do it than to have an act passed dedicating the interest accruing from that indebtedness to the payment of the soldiers—the soldiers who not only fought for the civilization of the world and to avenge the outrages that had been perpetrated upon the honor and the dignity of this country but who fought primarily to preserve the liberties and the civilization of the Governments that owe us these debts. We want them to understand that this indebtedness was incurred in the effort of the United States to help and save them, and that we are going to pay over, as we collect it, the interest upon this money that they owe us to the boys who fought their battle as well as our battle.

Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I just wanted to call the Senator's attention to the fact that the interest to be collected from England alone will amply finance the payments under this bill all the way through; and England has already, by her financial ministers, expressed her firm determination to begin some time in November to pay the interest regularly.

Mr. SIMMONS. There is not any doubt about the statement which the Senator makes. I stated yesterday that if we did not collect interest for the next two or three years from any of the debtor governments except Great Britain that fund would be amply sufficient to meet the cash payments provided under this bill. It would not be sufficient to meet the cash payments provided under the substitute now offered by the Senator from New Mexico, however.

Mr. McKELLAR. I was just going to call the Senator's attention to that fact.

Mr. SIMMONS. Not only that, but one year's payment of interest by Great Britain would probably amount to more than two years' payments under this bill. I think I am substantially correct in making that statement.

Mr. BORAH. Mr. President, later during the consideration of this bill I hope to discuss the question of the foreign debt and its availability for the purpose of paying these ex-service men. What I desire to call attention to particularly at this time is the stress which has been laid upon the proposition by the able Senator from North Dakota [Mr. McCUMBER] when he opened the debate and reiterated by the Senator from North Carolina [Mr. SIMMONS], that this bill now meets the objections which have been made heretofore by the President and by the Secretary of the Treasury, and therefore that there is no occasion to fear what they both seem possibly to anticipate—objection upon the part of the President.

I have no means of knowing what the President's views are at the present time with reference to this measure, and I do not discuss that question at all; but I call attention to the fact that if we go back to the President's address upon the 12th of July, 1921, we will find that this bill does not meet at all the objections which the President made at that time, and which he later repeated in his letter to Mr. FORDNEY, and which Mr. Mellon has repeated upon two different occasions in his letters.



I call attention to some of the views expressed by the President in July, 1921. He says:

The enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country.

Can it be said that restoration and readjustment are completed?

Mr. SIMMONS. Mr. President—

Mr. BORAH. I yield to the Senator from North Carolina.

Mr. SIMMONS. I want to say to the Senator that while I think he was not in the Chamber when I was discussing the matter, I stated that at the time the President delivered that message the bill then pending, and which he asked to have recommitted, practically provided for cash payments, which would have involved a tremendous outlay by the Treasury, amounting to three or four billions of dollars. The bill that we have under consideration now is one that provides only for a small annual payment.

Mr. BORAH. It is not, Mr. President, the cash payment alone which embarrasses the program of restoration and readjustment. That which embarrasses that program is putting upon the Government an additional obligation, whether paid to-day or to-morrow, of from four to five or six billions of dollars. It is perfectly idle to say that notwithstanding the fact that you impose that tremendous obligation upon the Government which we have to face, because to-day you only draw \$78,000,000 of it, therefore it does not embarrass or impede the program of restoration and rehabilitation.

But the President further states: "This menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligation to those we must not fail to aid." What is the situation with reference to our obligation to the disabled men of to-day compared with what it was at the time the President spoke? I call attention to the fact that at the present time we are expending \$488,000,000 a year upon the disabled soldiers, about \$1,264,000 every day of the year, and about \$1,000 every minute of the day; and that will increase during the next two years so that it is calculated that it will easily reach \$800,000,000 a year. So the obligation with reference to taking care of the disabled soldier is greater, heavier, and more burdensome by far than it was at the time the President spoke a year ago, and it is now disclosed that it is to continue to increase at a more rapid rate than was anticipated at that time.

I pause here to say that while I am perfectly satisfied that no able-bodied soldier would permit himself to be placed in a position where he would in any way embarrass taking care of the disabled soldier, nevertheless it must be perfectly apparent to anyone who will stop and consider the matter that imposing an additional obligation on the Government of from four to six billion dollars a year will embarrass the Government in meeting its full obligation to the disabled soldier. Indeed, it is now claimed that by reason of the fact that the Government is seeking to economize we are already failing to do our part by the disabled soldier, and when we add to it the obligation which we already have we will fail, in my judgment, more pronouncedly to meet that obligation which everyone surely desires to have met in full degree.

I will read into the record a statement showing the expenditures. The expenditures to April 1 of last year were as follows:

Military and naval family allowances.....	\$298,615,000
Military and naval compensation.....	557,150,000
Insurance.....	23,000,000
Administration.....	83,896,880
Hospitalization.....	224,729,402
Hospital construction.....	47,095,000
Vocational training.....	469,133,370
Disposition of remains.....	33,473,782
Bonus allowance at the close of the war.....	48,682,200
Payments to beneficiaries of Army men and officers.....	2,495,000

Amounting up to that time to \$1,996,260,634; and since that time it has increased until this year we are preparing to expend \$488,000,000. So I say not only that the objection which the President raised at that time, that it would embarrass us in the reconstruction and rehabilitation of the industrial and financial condition of the country, has not been taken care of, but that the other proposition of embarrassing us in taking care of the soldier is more accentuated than it was at the time the President spoke.

The second objection to which the President referred was as follows:

Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concerns our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.

There has been no settlement or adjustment of the foreign loans. France had her representative here for the purpose of discussing the question of the settlement of the foreign loan, and what was his message? His message was not only that France could not pay her foreign debt but, frankly, that she was not in a position to pay the interest on her foreign debt. A few days after the conference broke up between the premiers of France and England the representative of France here dealing with the question of the foreign loan was called home.

The Senator from North Carolina says that France is perfectly able to pay. It may be so; I will undertake to present some figures a little later which, in my judgment, will present another side to that question. But suppose that in his mind or in my mind France is able to pay, but France sends her representative here and says that she is not going to pay because she is unable to pay. What kind of a gratuity is it you extend to the American soldier to say that he will be paid out of what France proposes to give?

Likewise, Mr. President, with reference to the other foreign countries. We all expect those countries in time to pay their debts. We have put it in our congressional enactment that no power except Congress can cancel those debts, and I venture to say that neither you nor I will live long enough to see the United States cancel those debts. The terms and conditions under which cancellation would be considered, if at all, will not soon be presented to this country. But the canceling of the debts and the collecting of the debts at a specified time, or when we get ready to collect them, are two different propositions entirely.

I ask the able Senator from North Carolina, how are you going to collect the debt from France?

Mr. SIMMONS. I will answer the Senator very frankly that we can not forcibly collect the debt from France or any other foreign government that owes us a penny.

Mr. BORAH. That is precisely the situation. So we are saying to the soldier, and, most of all, we are saying to the taxpayer, "You are going to be relieved by our taking this money out of the payments of the interest upon the foreign debt," when they have already notified us that they are unable to pay, and it is conceded we can not force them to pay.

Mr. SIMMONS. While we can not force those Governments to pay us without going to war, we rely upon the integrity and honor of governments in all our international transactions, and it is assumed that if a government is able to pay it does pay or loses its standing among the nations of the earth. We have to rely in this case, as we would have to rely in any other case of a debt due us by a foreign government, upon their honor.

Mr. BORAH. Precisely so.

Mr. WILLIAMS. If the Senator will pardon me a moment, it is not precisely so, because I remember, and probably the Senator from North Carolina does, that the old Continental currency, issued by the people of that day, standing as high in honor as any people on the surface of the globe, has never yet been paid.

Mr. BORAH. They might have been lacking in national honor. Again, the President said:

It is quite as unthinkable to reduce our tax burden while committing our Treasury to an additional obligation which ranges from three to five billions of dollars.

Mr. President, I have not the time to go into this at length under the 20-minute rule, but later on I am going to present to the Senator from North Carolina and to the Senate the actual figures, which will disclose that not only have we failed to reduce our tax burden, either in the municipalities, the States, or the Nation, but that we are daily adding to those tax burdens, and that instead of our being in a better condition to meet this burden than we were on the 12th of July, 1921, a consideration of the actual facts, as the taxpayer has to come in contact with them, shows that we are in a less desirable position to meet it than we were in 1921, because we have been doing as we are doing with reference to this matter; we have been utterly disregarding of the Treasury of the United States, and the governors have been equally disregarding of the treasuries of the respective States.

Again, the President said:

A modest offering to the millions of service men is a poor palliative to more millions who may be out of employment. Stabilized finance and well-established confidence are both essential to restored industry and commerce.

Later, in his letter to Mr. FORDNEY on the 16th of February, 1922, he had this to say:

My best judgment is that any compensation legislation enacted at this time ought to carry with it provisions for raising the needed revenue.



This bill utterly flouts the President's suggestion in that regard. It is well known, if the public prints be correct, that he so regards it. There has been no attempt in this bill to meet this suggestion of the President, and the Senate will unhesitatingly vote down any attempt to meet it, because we are wriggling here between the taxpayer and the bonus men, seeking to pay the one without offending the other. The Senate would not for a single moment entertain any proposition to put a single dollar additional tax upon the taxpayers of this country at this time. Why? Simply because it brings home to the taxpayer a concrete illustration of what this bill means.

Again he said:

It is not an agreeable thing to suggest that action be postponed again, but, frankly, I do not find myself favorable to the piecemeal-payment plan, which is manifestly designed to avoid embarrassment to the Treasury. The long-drawn-out payments will not afford an effective helpfulness to the service men.

Does this bill conform to the President's wishes in that respect? Again he said:

We have no serious problem in beginning the allotments of public lands and the immediate issue of paid-up insurance. The real difficulty lies in the payment of the cash bonus. Rather than provide that the maximum cash payments shall extend over a period of two and one-half years, it would be a vastly better bestowal if we could await the day when we may safely undertake to pay at once in full, so that the award may be turned to real advantage.

Instead of meeting the situation, we have spread it over a period of 40 years. He continued:

Inasmuch as the Treasury is to be called upon to meet more than \$6,000,000,000 of maturing obligations in the 16 months immediately before us, it is not possible to recommend the issue of several hundred millions of additional short-time notes. Further excessive borrowing would likely undo all that has been accomplished in readjusting interest rates and stabilizing the financial world, both vitally essential to the resumption of industrial and commercial activities.

Granting that it is not fair to oppose any proposed plan without offering a substitute, let me repeat that I believe the American people will accept the levy of a general sales tax to meet the proposed bonus payments, and we should contribute thereby no added difficulties to the problems of readjustment. If Congress will not adopt such a plan, it would be wise to let the legislation go over until there is a situation which will justify the large outlay.

Mr. President, instead of this bill meeting the objections made by the President, it runs directly counter to some of them, and wholly fails to meet the others. How the President will view it when it finally reaches him I do not know; neither is it any matter of concern to me at this time. I only know that those things which he thought constituted a menace and an insuperable difficulty in 1921 are still with us and equally objectionable, if they were objectionable at that time. I think they were sound objections at that time and they are equally sound and insuperable now.

Mr. LENROOT. Mr. President, it was plain, from the President's message to the Senate last year, that his chief concern in regard to this bill was the immediate drain upon the Treasury which would be imposed by it, and the adverse effect the bill might have in the restoration of our financial condition, and the refunding of the indebtedness which must be refunded in the very near future.

I have been very greatly in sympathy with the idea that our Treasury is not in a condition to bear heavy drains upon it at the present time. That was one of the reasons why I voted on yesterday against the McNary amendment, because it authorized an additional appropriation of \$350,000,000 in addition to the \$78,000,000 for next year, and about the same amount the year following, imposed by the bill itself. However, my distinguished friend, the Senator from Idaho, voted for that amendment, which may impose a drain upon the Treasury of \$350,000,000 before this indebtedness of which the President speaks is refunded.

Complaint is made because this bill does not carry any means for raising the money with which to pay for the obligation which will be incurred under it. The President suggested a sales tax, it is true, but I do not know that the President has anywhere stated that he would veto a bill if the bill were of such a character that it could be seen that the Treasury could meet the obligations which would be imposed by the bill.

There was no more reason for putting a revenue measure upon this bill in the House than there was for putting one upon any bill which comes before the Congress of the United States which imposes an obligation or makes an appropriation. We had the estimate of the Secretary of the Treasury several months ago that there would very likely be a very large deficit in the Treasury in the next fiscal year. Did the Senator from Idaho suggest that we ought not to pass the agricultural appropriation bill, or the other appropriation bills, because there was no means provided in the bills for the raising of the revenue which would be required to make the expenditures?

Mr. BORAH. The Senator from Idaho has not suggested it in reference to this bill.

Mr. LENROOT. Then I utterly mistook the Senator's argument.

Mr. BORAH. I said the President had suggested it.

Mr. LENROOT. I certainly understood the Senator from Idaho, in his comments upon the views of the President, to suggest that if this bill were to pass, there ought to be provided a means or mode of raising the revenue which would be required under it. If I mistook the Senator from Idaho in that respect, I beg his pardon.

Mr. BORAH. The Senator misunderstood me. I would not vote for it if it had a provision of that kind in it.

Mr. LENROOT. That I well understood.

Mr. BORAH. I did not say that it ought to have such a provision in it. I said that was one of the objections which the President made, and we have not met the objection.

Mr. LENROOT. The President had a right to suggest it. We, however, have our responsibility as to what shall be done, and that responsibility is ours, and ours alone.

I suggested that there was not very much concern manifested yesterday about adding \$350,000,000 to this bill on the part of many of the Senators who are opposed to the bill, some of them upon the ground of the immediate drain it will make upon the Treasury. I rather expect that some of those Senators will vote for the pending amendment, which will make a possible drain upon the Treasury next year of \$750,000,000 instead of \$78,000,000, as is provided in the committee bill.

In that particular permit me to call attention to the speech of the present occupant of the chair, the distinguished Senator from New York [Mr. WADSWORTH], wherein he stated:

The Senator from North Dakota [Mr. McCUMBER] said it will cost but \$78,000,000 in the first year. The Secretary of the Treasury points out that we have a \$400,000,000 deficit facing us the first year, and the latest information is that instead of \$400,000,000 the deficit will be \$500,000,000, and yet lightly does the Senator from North Dakota suggest that we add another \$78,000,000 to that deficit.

And yet many of the Senators lightly added \$350,000,000 yesterday, and I am afraid some of those Senators are in a few moments deliberately going to vote to add \$750,000,000 instead of \$78,000,000 as proposed by the committee.

Mr. BORAH. Mr. President, will the Senator permit an interruption?

Mr. LENROOT. Certainly.

Mr. BORAH. The Senator from Wisconsin is going to vote for the bill with the \$350,000,000 provision in it, is he not?

Mr. LENROOT. I am.

Mr. BORAH. Well, I am going to vote against it with the \$350,000,000 provision in it.

Mr. LENROOT. Oh, yes; but, Mr. President, the Senator from Idaho knows that the bill is going to pass, and when a Senator votes for amendments that add a great amount of money to the bill, knowing that it is going to pass, it is not very much in justification of his voting to increase the amount of the obligation under the bill for him to say that upon final passage he is going to vote against it.

Mr. BORAH. I know the bill is going to pass, but I do not know so well that it is going to become a law.

Mr. LENROOT. Ah, I quite agree, and I have not a doubt in the world but what that was one of the actuating motives of some Senators in voting for the \$350,000,000, in the hope that by the addition of that sum the President might veto the bill when otherwise he might not.

Now, Mr. President, we might as well face the situation as it is. Every vote for the amendment in its effect will be a vote against the bill.

Mr. BURSUM. The Senator is referring to my substitute, is he not?

Mr. LENROOT. Yes; the Bursum substitute. No one doubts, from the statements the President has made, that if the substitute be adopted the bill will be vetoed. That being so, how can any friend of adjusted compensation vote for the substitute amendment? Does anyone believe that the service men are going to be deceived? Does anyone believe that any Senator can make the service men of America believe that he is in favor of adjusted compensation when he votes for \$750,000,000 to be drained out of the Treasury of the United States next year when he knows the bill will be vetoed by the President of the United States and in all probability can not pass this body over that veto, when if he had voted against the substitute the probability is that the legislation asked for by the service men themselves would be signed and become a law?

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. LENROOT. I yield.



Mr. PITTMAN. Does the Senator know that the President would veto the bill if the Bursum amendment were incorporated in it?

Mr. LENROOT. I of course am not authorized to speak for the President nor have I had any conversation with him upon the particular subject. But I do say that from the President's public statements but one inference can be drawn by anyone, and that is that a bill which would take out of the Treasury of the United States next year \$750,000,000 will be vetoed.

Mr. PITTMAN. If the Senator would state authoritatively that the President would veto it with the Bursum amendment in it, then those who favor adjusted compensation would not, of course, vote for it. But there is nothing that the Senator can point to in any statement ever made by the President that would sustain his assertion.

Mr. LENROOT. Why, did not the Senator listen to the reading of the President's letters by the Senator from Idaho a few moments ago?

Mr. PITTMAN. I have tried to listen to all the ambiguous statements of the President for the last two years.

Mr. LENROOT. I can well understand how there can be some Senators upon the other side of the aisle, and I am glad there are not many of them, who might prefer to vote for a compensation bill in the hope that it would be vetoed by the President of the United States. I am glad to know that the majority upon that side of the aisle do not propose to play politics concerning this important matter.

Mr. BURSUM. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I yield.

Mr. BURSUM. The Senator appreciates that it would cost \$1,500,000,000 less to liquidate this debt under the provisions of the amendment which I have proposed as compared with the bill reported by the committee. If that be true, would it not be conserving the credit of the country to save that amount of money?

Mr. LENROOT. If we liquidate \$1,500,000,000 to-day and pay  $4\frac{1}{2}$  per cent interest upon that sum for 20 years, as provided in the bill, we would have paid very nearly the sum that is provided for in the bill. We have not the \$1,500,000,000 to take out of the Treasury, and the Senator knows it. The Senator knows there is no money in the Treasury with which to meet the payments under his substitute. There would be no money in the Treasury next year that could be used to meet the payments under his substitute, and he knows it. If his substitute should become a law, there is only one way under the sun by which the payments could be made, and that would be for the Government of the United States to borrow money to meet the payments.

Mr. BURSUM. Precisely so, and that is the only way by which the Government can meet the pledge which is contained in the bill reported from the committee and take up the loans by 1926. There is no other provision for it. It authorizes an extortionate rate of interest which would permit the profiteers to profit to the extent of \$81,000,000.

Mr. LENROOT. The Senator knows, if he has read the bill, that the bill itself provides against profiteering, that the maximum rate that can be imposed by any bank is  $6\frac{1}{2}$  per cent.

Mr. BURSUM. How does it provide it? It does not provide it. What is to prevent a syndicate being organized to take over all of these loans at the rates authorized under the bill, and then float them in the country on the basis of the current credit?

Mr. LENROOT. I do not know of anything to prevent that.

Mr. BURSUM. Then there would be an \$81,000,000 melon to be cut.

Mr. LENROOT. That is so far-fetched that I would not undertake to spend time to argue it with the Senator.

Mr. BURSUM. It may be far-fetched, but it is absolutely practical, and it is absolutely what is going to occur, and it is absolutely what is already being planned.

Mr. LENROOT. Does the Senator propose to vote against the bill if his amendment is defeated?

Mr. BURSUM. No.

Mr. LENROOT. Thus the Senator himself proposes to vote for a robbery or the cutting of a melon, as he thinks, of \$81,000,000.

Mr. BURSUM. Yes. I am so anxious to give the boys what I think they ought to have that if I am compelled to do so, even though it be a rank proposition, I shall vote for it, because I am compelled to do so. That is the way I feel about it.

Mr. LENROOT. I must say I am more anxious to give relief to the service men than is the Senator from New Mexico, be-

cause the Senator from New Mexico must realize, and I think every Senator must realize, that if the Senator's amendment goes to the President of the United States, it will be vetoed and the service men will get nothing.

Mr. BURSUM. But why? What right has the Senator to assume that the President would exercise anything but a friendly attitude, a reasonable analysis, and that his decisions would be based upon what would constitute the best welfare of the country?

Mr. LENROOT. The President has indicated to Congress his views upon the subject.

Mr. BURSUM. So far as I am concerned I feel this way about it, that the allegiance which I owe is to exercise my judgment about what is right and in accordance with my own conscience.

Mr. LENROOT. Mr. President, I can not yield further. The Senator from New Mexico said he wants to use his judgment as to what is best for the soldier. He can do that, and by using that judgment deprive the soldier of any benefit whatever under the bill. I can well understand why it is that Senators opposed to any bonus will vote with the Senator from New Mexico. Does not that indicate anything to the Senator from New Mexico?

Mr. BURSUM. Mr. President—

Mr. LENROOT. I do not yield.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield further.

Mr. LENROOT. It certainly does to every other Senator upon the floor. Why is it that Senators opposed to any adjusted compensation are going to vote for his substitute? There is only one reason, of course, because they feel sure that if the Senator's amendment shall be adopted the service men of the United States would get nothing, and it would defeat the bill. If Senators who led their constituency to believe that they are in favor of the adjusted compensation can fulfill that pledge in any such way as is now proposed by the Senator's substitute, they will find out, Mr. President, that they are very much mistaken. The representatives of the American Legion do not want the Senator's amendment adopted. Representatives of the American Legion, representing the service men of the United States, want the bill adopted as it was reported by the committee.

Mr. BURSUM. Mr. President—

Mr. LENROOT. I do not yield. There is no question about the proposition I have just made. I would not urge that so far as the principle of adjusted compensation is concerned, but granted that there is a moral obligation—and that is the ground upon which I put this, and I will have something to say about it when we come to the final debate—granted that there is a moral obligation, we can not discharge that obligation individually by voting for amendments here which will kill the bill. Therefore, I am opposed to the Bursum amendment.

Mr. PITTMAN. Mr. President, the Senator from Wisconsin, as usual, has attacked everybody who disagrees with him, and has imputed to them ulterior motives. So far as I am concerned I am willing to let my record on behalf of the soldiers of the country stand against that of the Senator from Wisconsin. I would not even compare my sincerity with his, because I am confident of my own sincerity, whether the Senator from Wisconsin is confident of his own or not. His speech, as usual, has had in mind solely the defense of the administration to which he unfortunately belongs. There never was a great issue facing the country or this body that the same motive did not actuate the Senator from Wisconsin, to judge by his speeches. If he has ever had a deeper motive than politics, his language has failed to disclose it to me.

There is no use going back to review the fight for the ratification of the treaty following the Great War, but if anyone should review the history of it they would see exactly the same spirit of defense of the position of the other side of the Chamber by the Senator from Wisconsin that he has made in the pending matter. Step by step the Senator is slipping with his party and with his President, no matter where it lands him, pretending all the time that the thing which actuates his whole soul is love and sympathy for the soldier boys. The Senator's speech is a constant defense of the lack of the support of those soldier boys by his own administration.

If the President is going to veto this bill it is going to be on the sole ground, if he is consistent—and I will give him credit for being consistent, even if the Senator from Wisconsin [Mr. LENROOT] does not—that the bill does not provide the means for paying the compensation. It will not be determined by whether the compensation shall be paid in cash or shall be put over for a period of years; it will not depend upon whether one part of it



shall be paid in money and another part of it shall be paid in notes of the Government. That has never been taken into consideration; that is an economic proposition that bears on the method of payment and not on how the money shall be raised to pay the obligations, and the Senator from Wisconsin knows that.

As a matter of fact, this committee bill is not what the Senator from Wisconsin promised the soldier boys when he was running for office; this is not what was promised the soldier boys by nine-tenths of the Members of this body when they sought their votes. Oh, no; go back to the original bill which was introduced in the other House and see what they then promised the soldier boys.

Examine that bill. Did they say then that they would not give a cent for adjusted compensation in cash to any soldier whose claim amounted to more than \$50? Oh, no; for if they had said that two-thirds of the soldier boys whom they induced to vote for them would not have voted for them. They know that. But now they come in and say, "This satisfies the soldier boys; we are giving them everything that is coming to them." They are giving no cash pay to those who gave the longest service to the Government. What is the difference in the obligation of this Government whether it issues bonds and sells them to the public or whether it issues its notes to the soldier boys and they sell them to the public? In either event the same amount would be involved and the same obligation would be imposed on the public.

Mr. WILLIAMS. But in one case the interest would be less.

Mr. PITTMAN. The only difference is, as suggested by the Senator from Mississippi [Mr. WILLIAMS], that the method of payment in the Bursum amendment would bring down a lesser burden on the people of the country. There is no answer to that whatever.

The whole truth of the proposition is—and it is understood by all Senators in this body—that members of the Republican majority are trying to get away from the speeches which they made to the soldiers when they were running for office. They regret that they pledged these boys adjusted compensation. Some of those who are trying to get away from it now did not believe in it at the time and they do not believe in it now and they are doing everything in their power to slip away from it.

Oh, yes; two years ago when they were running for office and making these promises to the boys they were saying we realize your desperate condition and we are going to help you right away. Does the bill, as reported by the committee, help the soldiers right away? It does not give any help to anybody right away except those who served the shortest time in the Army, those to whom only \$50 or less is due. All of the others of those brave boys whom we were going to help right away will not have any cash coming to them. Oh, no; Senators on the other side slip away from the whole proposition. They promised these boys to support the bill which was formulated by the American Legion on behalf of the soldiers, but they have so butchered the bill in the Senate committee that no soldier could recognize it.

The soldiers sought, above everything else, the opportunity to make homes; the opportunity that was given patriotically to the soldiers in Canada, across the line, and ably forwarded by that Government. The House of Representatives gave it to the soldiers in its bill; yet Senators on this floor who promised to support that program have calmly voted to cut out that beneficial provision, and when a less expensive provision was proposed some of those same Senators who to-day are questioning the motives of others voted against the McNary amendment. I think the Senator from Wisconsin was one of them. He is willing to strike out of the House bill the provision for the settlement of the soldiers on the land; he is willing to vote against any cognate proposition, and will not himself suggest any amendment to cover that feature. The Senator from Wisconsin questions the motives of Senators who believe that this committee bill is an injustice to the soldiers, and yet he has voted against every amendment that would tend to bring this bill back to where it was as it came from the other House, and to make it the bill which he promised to support.

There is not any question at all that the Bursum amendment would impose a less burden on the people of the country than the bill as reported by the committee; there is not any doubt that it is the only proposition which has so far been brought forward that will be of any immediate help to the soldiers. Those are the two main considerations—immediate help to the soldiers and the imposition of as small a burden on the people as possible. Those things are not provided for in the bill as reported by the committee, and no one has been able to show that they are. They are, however, partially provided for in the Bursum amendment.

But it is said by certain Senators that they fear if we make this bill any better the President will veto it. Why is it that they suspect their President of being so brutal and unjust? Their President has always expressed a desire immediately to aid in some way the soldiers. Do they suspect that he did not mean that when he said it? Do they suspect his motives also? I do not suspect them; I have no reason to suspect them. The pending amendment will not place a greater burden on the Government, but it will give immediate relief to the soldier, and that is what the President of the United States has contended that he desired to accomplish.

What are the Senators in the majority in this body going to do? Are they going to allow their legislative ideas to be controlled entirely and absolutely by what they fear the President may do? I say "fear," because they have nothing else back of their position except a cowardly fear or some other similar motive.

I wish to say to them that if the President vetoes this measure by reason of the Bursum amendment there will be enough votes in this body to carry it over his head if those who pretend they stand for the soldiers will really stand for the soldiers instead of for politics. As a matter of fact, the only danger the soldiers have to fear is from politicians, and not from the sentiment of the Senate. Two-thirds of this body are for the soldiers' adjusted compensation bill in the form in which it passed the House, which is far more liberal than any bill now before the Senate or any amendment which has been offered to the bill. The truth about the matter is that some of those who pretend that they love the soldier so deeply love their political organization more. They would like not to have to vote on the bill at all; but as they are compelled to vote on something, they want to make it so inconsequential that it will not even require the consideration of the President of the United States.

Nothing can be said against the amendment offered by the Senator from New Mexico except the reiteration of the constant fear that the President will veto the bill if that amendment shall be adopted, and the very Senators who express that fear are discrediting the head of their own Government and their own administration and imputing motives and desires to him that I find nothing in his declarations whatever to sustain. It is an unworthy attempt to coerce those in this body who favor doing something fair and reasonable for the soldiers.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. BURSUM], as modified.

Mr. LENROOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. MOSES]. I understand that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote and vote "yea."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce, and ask that the announcement may stand for the day, that my colleague [Mr. OVERMAN] is absent on account of illness. He is paired with the senior Senator from Wyoming [Mr. WARREN]. If present, my colleague would vote "nay" on the proposed substitute.

Mr. WARREN (when his name was called). I have a pair with the Senator from North Carolina [Mr. OVERMAN], as his colleague [Mr. SIMMONS] has already stated. From that statement I consider myself at liberty to vote. I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON]. I do not know how he would vote on this proposition, and therefore withhold my vote.

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from South Dakota [Mr. NORBECK] and will vote. I vote "yea."

Mr. CALDER. I am paired with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the senior Senator from New Hampshire [Mr. MOSES] and will vote "nay."

Mr. McCUMBER (after having voted in the negative). I observe that my pair, the junior Senator from Utah [Mr. KING], has not voted. I therefore transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following general pairs:

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];



The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 27, nays 44, as follows:

## YEAS—27.

Borah	Gerry	Newberry	Shields
Broussard	Glass	Nicholson	Swanson
Bursum	Hitchcock	Pepper	Underwood
Dial	McNary	Phipps	Wadsworth
Edge	Myers	Pittman	Walsh, Mont.
Fletcher	Nelson	Pomerene	Williams
France	New	Reed, Pa.	

## NAYS—44.

Ashurst	Gooding	McCumber	Smith
Ball	Hale	McKellar	Smoot
Calder	Heflin	McLean	Stanfield
Cameron	Jones, Wash.	Oddie	Sterling
Capper	Kellogg	Ransdell	Sutherland
Colt	Kendrick	Rawson	Townsend
Culberson	Keyes	Reed, Mo.	Trammell
Cummins	La Follette	Robinson	Walsh, Mass.
Curtis	Lenroot	Sheppard	Warren
Dillingham	Lodge	Shortridge	Watson, Ind.
Frelinghuysen	McCormick	Simmons	Willis

## NOT VOTING—25.

Brandegee	Harris	Moses	Spencer
Caraway	Harrison	Norbeck	Stanley
du Pont	Johnson	Norris	Watson, Ga.
Elkins	Jones, N. Mex.	Oberman	Weller
Ernst	King	Owen	
Fernald	Ladd	Page	
Harrell	McKinley	Poindexter	

So Mr. BURSUM's amendment, in the nature of a substitute, as modified, was rejected.

Mr. REED of Missouri. Mr. President, is there an amendment now pending?

The PRESIDENT pro tempore. There is no amendment pending.

Mr. REED of Missouri. I desire to make a few remarks, but I do not want to cut myself off from the opportunity of speaking later. I do not want to speak at length.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to further amendment.

Mr. SMOOT. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The amendment will be read.

The ASSISTANT SECRETARY. On page 42, after line 22, it is proposed to insert the following new title:

## TITLE X.—ADJUSTED COMPENSATION TAX.

SEC. 1001. (a) That on and after November 1, 1922, and until November 1, 1925, in addition to all other taxes there shall be levied, collected, and paid (a) upon every commodity manufactured or produced when sold, leased, or licensed for consumption or use without further process of manufacture, a tax equivalent to one-half of 1 per cent of the price for which such commodity is sold, leased, or licensed, such tax to be paid by the manufacturer or producer, and (b) upon every commodity manufactured or produced in a country other than the United States, when imported into the United States for consumption or use without further process of manufacture, a tax equivalent to one-half of 1 per cent of the value at port of entry of such commodity, such tax to be paid by the importer.

(b) That on and after November 1, 1925, in addition to all other taxes there shall be levied, collected, and paid (a) upon every commodity manufactured or produced when sold, leased, or licensed for consumption or use without further process of manufacture, a tax equivalent to one-fourth of 1 per cent of the price for which such commodity is sold, leased, or licensed, such tax to be paid by the manufacturer or producer, and (b) upon every commodity manufactured or produced in a country other than the United States, when imported into the United States for consumption or use without further process of manufacture, a tax equivalent to one-fourth of 1 per cent of the value at port of entry of such commodity, such tax to be paid by the importer.

SEC. 1002. (a) That this title shall not apply to sales, leases, or licenses made during any year in which the total price for which the taxable sales, leases, or licenses are made does not exceed \$6,000, nor to sales of refined gold or silver.

(b) If any manufacturer, producer, or importer of any commodity taxable under this title customarily sells, leases, or licenses such commodity at wholesale at the place of manufacture, production, or importation, and also at wholesale at another place, or at retail, the tax in the case of any commodity sold, leased, or licensed otherwise than at wholesale at the place of manufacture, production, or importation shall be computed on the price for which like commodities are sold, leased, or licensed at wholesale at the place of manufacture, production, or importation; or if sold by him at retail only the tax shall be computed on the fair market price at which like commodities are customarily sold, leased, or licensed at wholesale at the place of manufacture, production, or importation.

(c) If any person who manufactures, produces, or imports any commodity taxable under this title (1) sells, leases, or licenses such commodity to a corporation affiliated with such person within the meaning of section 240 of the revenue act of 1921 at less than the fair market price obtainable therefor, the tax thereon shall be computed on the basis of the price at which such commodity is sold, leased, or licensed by such affiliated corporation; and (2) if any such person sells,

leases, or licenses such commodity, whether through any agreement, arrangement, or understanding, or otherwise, at less than the fair market price obtainable therefor, either, first, in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or, second, with intent to cause such benefit, the amount for which such commodity is sold, leased, or licensed shall be taken to be the amount which would have been received from the sale, lease, or license of such commodity if sold, leased, or licensed at the fair market price obtainable therefor.

(d) Every individual, firm, or corporation liable for any tax imposed under this title shall make monthly returns under oath in duplicate and pay the taxes imposed by such title to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made in such time and place and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

(e) Taxes levied under this title shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month from the time when the tax becomes due.

SEC. 1003. (a) That the taxes imposed by this title shall not apply to sales, leases, or licenses made by (1) the United States; (2) any foreign government; (3) any State or Territory or political subdivision thereof or the District of Columbia; (4) any hospital; (5) Army or Navy commissaries and canteens; or (6) any corporation organized and operated exclusively for religious, charitable, scientific, or educational purposes no part of the net earnings of which inures to the benefit of any private stockholder or individual; (7) any public utility; or (8) any farmer as to the product of his farm.

(b) The tax imposed by this title shall not apply to sales, leases, or licenses of any article taxable under Title VI of the revenue act of 1918 or Title VII of the revenue act of 1921.

(c) The taxes imposed by this title shall not apply with respect to articles sold, leased, or licensed for export and in due course so exported.

SEC. 1004. That in the case of any erroneous payment of any tax imposed by this act any person making such erroneous payment may take credit therefor against taxes due upon any subsequent return.

SEC. 1005. That the provisions of this title shall become effective on and after November 1, 1922.

SEC. 1006. That all the provisions of law relating to the levying, collection, and payment of internal-revenue taxes shall be applicable to the levying, collection, and payment of the taxes imposed by this title.

SEC. 1007. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to make all needful rules and regulations for the enforcement of the provisions of this title.

Mr. SMOOT obtained the floor.

Mr. REED of Missouri. Mr. President, I desire to make a point of order.

The PRESIDENT pro tempore. The Senator from Missouri will state the point of order.

Mr. REED of Missouri. The bill to which this amendment is offered contains no provision for raising revenue. The Constitution, Article I, section 7, provides that—

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

There being no provision in this bill as it comes to us from the House for raising revenue, the Senate is without jurisdiction or power to attach an amendment which proposes, as the pending amendment does, to raise revenue by taxation. The matter being beyond the jurisdiction and without the power of the Senate, I raise the point of order that it is not in order.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The point of order is not debatable. The Chair will be very glad to receive advice on the point raised by the Senator from Missouri, but will reserve the privilege of limiting the debate.

Mr. WATSON of Indiana. With the indulgence of the Chair, I want to say just a word.

Since I understood that the Senator from Utah would introduce this amendment, I have given the matter some thought and some little attention. My judgment is, with all due deference to the opinion of the Senator from Utah, that the amendment is unconstitutional, in that we have no right to originate a revenue measure in the Senate.

But, at the same time, I disagree with the Senator from Missouri, because I do not believe that it is subject to a point of order. I do not think the question as to whether a matter proposed is or is not constitutional is a matter of procedure. The Senate may vote on it even though it is unconstitutional. It is a question for the Senate to decide, and I do not think our rules of order run contrary to the Constitution, to put it broadly, and I do not believe the amendment is subject to the point of order made by the Senator from Missouri. But, at the same time, however the Chair may rule on that, I trust that when the Senator from Utah begins to discuss it he will address himself to the constitutional right of the Senate to enact this legislation in the first instance.

Mr. BORAH. Mr. President, I have not given any particular consideration to this matter, but the suggestion made by the Senator from Indiana seems to me quite well worthy



of consideration. Can we decide upon the constitutionality of a measure under a point of order? It would be a very interesting proposition if they could all be disposed of in that way.

Mr. SMOOT. Mr. President, I recognize that there is a question as to whether the amendment is even in order. When I first thought of offering this amendment for the purpose of raising a fund to meet the obligations which will be placed upon the Government by the passage of the pending bill I thought there was no question but that we could do it, and in what little time I have had at my disposal of late I have looked up a number of the precedents, and I must admit to the Senate that most of them are in accord with the statement made by the Senator from Missouri.

The PRESIDENT pro tempore. Will the Senator from Utah permit an observation on the part of the Chair?

Mr. SMOOT. Certainly.

The PRESIDENT pro tempore. The advice the Chair sought of the Senators, although the point is not open to debate, is whether the Chair has any authority to pass upon the constitutionality of a bill or an amendment to a bill. The Chair may shorten the debate by saying that the present opinion of the Chair is that the Presiding Officer of the Senate has no authority to pass upon the constitutionality of a measure that is presented which the Senate has under its consideration; that that is a matter for the Senators themselves to decide.

Mr. SMOOT. I agree with the Chair in that particular, and, of course, in this case that is all I shall ask.

The PRESIDENT pro tempore. The Chair does not desire at this time to hear a discussion upon the merits of the amendment.

Mr. SMOOT. Then, of course, I shall be content simply to have Senators vote upon it.

The PRESIDENT pro tempore. The Senator from Utah will be recognized for a discussion of the amendment immediately after the point of order is decided.

Mr. REED of Missouri. Mr. President, I would not make this point of order if we were simply engaged in passing an ordinary statute which, in the opinion of some Members of the Senate, might be unconstitutional. The point I make goes back of that sort of a question. It goes to the question of the jurisdiction of the Senate over a particular subject matter. The express language of the Constitution is that—

All bills for raising revenue shall originate in the House of Representatives.

Here is a measure for raising revenue. It does not originate in the House of Representatives. It therefore is a matter with which the Senate has nothing to do and with which it can have nothing to do if the point is raised. It is like a plea to the jurisdiction of a court. If the court has jurisdiction of a subject matter we all agree that the case must be tried, and if the Senate had jurisdiction of this subject matter we would all agree that the question had to be settled by the vote of the Senate. But if the Constitution of the United States denies to the Senate any right whatsoever to deal with this subject matter unless a bill first comes to us from the House touching upon the same subject matter, then clearly the Senate is without any power whatever to proceed, and being without power to proceed, it seems to me the question can be raised on a point of order.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED of Missouri. I yield.

Mr. BORAH. The question is, can the Chair determine the jurisdiction of the Senate over a question when the constitutionality of the proposition is involved? Can the Chair alone determine that proposition? It does not seem to me, if the Senator from Missouri will permit me, that the Chair alone is to be permitted to determine that question.

Mr. REED of Missouri. The Chair only determines it in its opinion. The question is determinable by the Senate on an appeal from the decision of the Chair. I do not know that I could make this point any clearer by talking about it for an hour.

The Constitution is greater than the Senate. The Constitution denies our jurisdiction over a question by express terms. There is no dispute of fact here. The bill is before the President of the Senate. It contains no provision whatever for the raising of revenue. It is not a mooted question; it is not a question of dispute. It is clear and plain and unequivocal. It is then proposed to introduce a matter over which, under the Constitution, we have no jurisdiction, which we have no right to touch, no right to consider; and if we did consider it our act would fall dead.

Mr. BORAH. That would be true of any proposition which was suggested here which is unconstitutional.

Mr. REED of Missouri. No.

Mr. BORAH. If a bill were introduced in the Senate and I should offer an amendment to it, whether it related to revenue or anything else, and it was clearly unconstitutional, the same argument would apply, and instead of the Senate deciding whether or not it had jurisdiction, the Senator from Missouri would contend that that would be a matter for the Chair to decide.

Mr. REED of Missouri. The ordinary case to which the Senator refers, where the Senate may be acting beyond its power but has jurisdiction of the subject matter, is one thing. For instance, the Senate has jurisdiction, along with the other House of Congress, of a multitude of questions. In determining what law it will pass it may go beyond its legal authority. But the subject with which it is dealing may be one with which the Senate can deal. This subject matter the Senate can not deal with.

I do not care to prolong this discussion; it is not so important; but suppose the House of Representatives were to undertake to pass upon and approve the appointment of an ambassador to the Court of St. James; suppose somebody should move that the House of Representatives advise and consent to the appointment. That being a matter with which the House of Representatives has nothing to do, would it not be subject to a point of order? I think it would be.

Mr. President, I have suggested the point. I do not care to prolong the discussion.

Mr. ASHURST. Mr. President, on this point the philosophy of the Senator from Missouri is certainly correct, and I am not sure that his method of procedure is wrong. The Senate on March 2, 1917, attached to the naval appropriation bill certain amendments providing for the issuance of bonds, and as amended returned that bill to the House, and on that same day, a few hours after the House received that bill from the Senate, the following resolution was unanimously agreed to by the House of Representatives:

#### House Resolution 550.

*Resolved*, That the amendments providing for the issuance of bonds added by the Senate to the House bill (H. R. 20632) in the opinion of this House contravene the first clause of the seventh section of the first article of the Constitution of the United States and are an infringement of the privileges of this House, and that the said bill with the amendments be respectfully returned to the Senate with a message communicating this resolution.

Mr. McCUMBER. Mr. President, I rise to a point of order. I understood the Chair had decided that question.

Mr. ASHURST. With due deference to my learned friend, that would not preclude my talking.

Mr. McCUMBER. No; I know that.

Mr. ASHURST. I am surprised that such an able Senator as the Senator from North Dakota should even intimate that because a question has been decided we should stop talking about it. Indeed, Mr. President, that is when the discussion begins.

Mr. McCUMBER. Mr. President, understanding that the parliamentary question has been disposed of, I want to say just one word on the amendment.

The PRESIDENT pro tempore. The parliamentary question has not been disposed of.

Mr. McCUMBER. I would like to have the Chair dispose of it then.

The PRESIDENT pro tempore. The Chair is quite ready to rule upon the point of order made by the Senator from Missouri.

Whatever may be the opinion of the present occupant of the chair respecting the constitutionality of the amendment proposed by the Senator from Utah, the Chair is quite clear that it is not within the jurisdiction or power of the Presiding Officer to pass upon that question, and therefore the point of order is overruled, and the Senator from Utah is recognized if he desires to be recognized for the purpose of presenting the amendment.

Mr. ROBINSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I will yield the floor if the Senator desires to make a statement.

Mr. ROBINSON. Mr. President, I do not believe there is any lawyer in the Senate who will not admit that the amendment proposed by the Senator from Utah is violative of that provision of the Constitution which requires all bills for raising revenue to originate in the House of Representatives.

It is perfectly clear to me that if the Senate should adopt the amendment of the Senator from Utah and send the bill



to the House of Representatives with that amendment in it, the House, under every precedent that has occurred during the last 20 years and under every one that I have ever heard of, would refuse to receive the bill and would immediately send it back to the Senate on the ground that the Senate had trespassed upon the jurisdiction of the House of Representatives. Is there a Senator familiar with the precedents who doubts that I have stated them correctly?

The House is rightfully jealous of its prerogative in this matter. For many reasons the Constitution reposed in that body the jurisdiction to originate revenue bills, and that body has rightfully safeguarded its exclusive jurisdiction over the subject. It is regarded by the body at the other end of the Capitol as an affront for the Senate of the United States to assume jurisdiction in a case where there can be no doubt in the mind of any well-informed person that the Senate is deliberately trespassing upon the jurisdiction of the House of Representatives. This amendment does not present a question of doubt. It does not present a case where a well-informed Senator may say that in all probability the subject is within the jurisdiction of the Senate. It presents a case where, I repeat, every Senator, even the Senator proposing the amendment, must admit that the provision is violative of the Constitution of the United States in that it seeks to usurp on the part of the Senate the jurisdiction of the House.

These facts being true, it being manifest to all Senators that we have no right to consider and act upon the amendment, it being clear that the House would justly resent an effort upon the part of the Senate to usurp its jurisdiction, I ask the Senate what is the advantage now and what is the justification for frittering away the time of the Senate in the consideration of the amendment? I would not take advantage of the Senator from Utah to make a motion to lay upon the table his amendment, because the Senator from Utah was good enough to yield to me to make this statement.

Mr. SMOOT. The Senator may do so so far as I am personally concerned.

Mr. ROBINSON. Then I move to lay upon the table the amendment offered by the Senator from Utah.

Mr. BORAH. Mr. President, I am perfectly willing to vote against the amendment, but I am not willing to lay it on the table. I am getting tired of the proposition of having the cloture applied in this Chamber in that way.

Mr. ROBINSON. If the Senator from Idaho wants to discuss the amendment, I withdraw the motion to lay it on the table.

Mr. SMOOT. I will say to the Senator from Arkansas and to the Senate that so far as I am personally concerned I do not care to discuss the question, and the Senate can vote upon it at any time. I shall not say a word about it, but let it be decided by the Senate. If it feels it is in violation of the Constitution of the United States, I have no objection to the vote being taken. I do not desire to enter into any discussion of the question. I state very frankly to the Senator from Missouri that I think there was a great deal in what he said in his point of order.

Mr. McCUMBER obtained the floor.

Mr. REED of Missouri. Will the Senator permit me to interrupt him to say just a word of personal explanation?

Mr. McCUMBER. I shall be through in just a moment. I merely desire to say that while we may all agree with the ruling of the Chair, there is not a Senator who does not fully understand the provision of the Constitution that all bills for raising revenue must originate in the House. Now, we all understand that. None of us disagree with it. Furthermore, we all understood our oath when we swore we would support and defend the Constitution of the United States. How on earth a Senator can square that oath with a vote in favor of this amendment upon the bill is beyond my comprehension.

Mr. REED of Missouri. Mr. President, I simply desire to say that I did not mean the point of order which I made as any possible attempt to deprive the Senator who introduced the amendment of his rights upon the floor.

Mr. SMOOT. Oh, Mr. President, I understood that.

Mr. REED of Missouri. I thought it a proper way to raise the point, and I disclaim any thought or any intention to cut the Senator off. That, I thought, was the short way out of it.

Mr. UNDERWOOD. Mr. President, I desire to say just a few words. Of course, we all recognize that the Senate can not originate a revenue bill. The courts have already decided that in the case of the cotton futures act a year or two ago. The bill came over here with some provision to use the post-office power of the Constitution for the enforcement of the law. The Senate took out that provision and put a tax on futures

sales to provide means for the enforcement of the law. The district court promptly held that the action of the Senate was unconstitutional.

Of course, if we wanted to kill the pending bill there would be no better way to kill it than to put on it a provision for the raising of revenue if that provision originated in the Senate. Although I am very much opposed to the pending bill, I shall endeavor to try to defeat it, if I can, by direct methods and not indirect methods. Therefore I shall vote against the pending amendment to put a tax provision in the bill.

I did not want to let my vote stand without this explanation, because I feel that if the bill is passed it is going to require from \$4,000,000,000 to \$7,000,000,000 to meet the obligation imposed. I think that the position which the President of the United States took last year in regard to the matter was entirely correct, that if the Congress is going to impose so great a burden of obligation that must be met, it ought, in imposing that burden, to carry with it the necessary legislation for its payment. If I had an opportunity to vote to put on the bill a tax provision to pay for the obligation that we are putting on the country, and which in the end must be paid by a tax imposed on the people of the United States, I would vote for such an amendment. Of course I can not vote for it here because it would be an idle thing to do. But I want to say that if the Senator from Utah, instead of proposing an amendment which is clearly unconstitutional, would introduce a resolution expressing the sense of the Senate that it return the bill to the House of Representatives with the request that they add to it a taxing amendment which would provide for raising the money to pay the obligations we are going to put on the Government, I would vote for that resolution, because that would be in keeping with the Constitution. I do not want to delay the Senate, but I did not want a negative vote to misrepresent my position on the question that we should raise the revenue if we are going to pass the bill.

Mr. SMOOT. Mr. President, I want the Senator from Alabama to understand that my original thought was not in any way, shape, or form to try to defeat the bill indirectly by offering the sales tax amendment. In fact, when I first thought of it there was a doubt in my mind whether it would be a violation of the Constitution or not. There are some of the precedents which hold that it is not, but a great majority of them hold that it is. If my purpose can not be accomplished in the way my amendment contemplates, I intend to offer another amendment to the bill, and then I shall speak to that amendment, but it does seem to me, with the obligation we are under at the present time, that it would be the height of folly and unwise in the extreme to load an additional burden upon the Government of the United States at this time. I am perfectly willing that the Senate shall vote on my amendment without even a yea-and-nay vote.

Mr. HEFLIN. Mr. President, I did not finish reading the article which I started to read this morning referring to the amendment on which the Senate voted yesterday afternoon, providing that this money should be raised by collecting the interest on the debt due us from foreign countries. The Washington Post article, from which I read, in part, continues:

The amendment likewise has the disadvantage of practically "blowing up" the American funding commission now negotiating with foreign powers for the refunding of the debts. Senator Smoot, who is a member of the commission, naturally regards the amendment as impossible and would have voted against it had he been present.

Mr. President, here is an opportunity, I repeat, to pay adjusted compensation to the American soldier by collecting a debt overdue to this Government, paying the adjusted compensation without issuing Federal reserve notes, without taxing the American people one five-cent piece, without taking a nickel out of the Treasury, without selling any bonds of the United States.

The Senator from Utah [Mr. Smoot] and others come forward now with a sales-tax proposition that would impose a tax burden upon the breakfast table, the dinner table, and the supper table, and would impose a tax upon every consumer in the mass of the 110,000,000 people. Why will Senators on the other side of the Chamber seek to burden the American people in this fashion when we can raise the money by collecting a debt honestly due to the American people? Why is it that Wall Street financiers are considered above the interest and welfare of the American mass? Why is it that the finest types of young men that ever responded to the call of duty must wait four years and more, and then when we come with a solid Democratic vote supporting the amendment of the Senator from North Carolina [Mr. Simmons], with the aid of a few Republicans, and put it on the bill providing for the collection of this money, thus relieving our people of the



burden of additional taxation, the Senator from Utah should present his sales-tax amendment—the Senator from Utah who is on the commission with four other Republicans, not a Democrat on it, not a progressive, not an independent, but a partisan commission made up purely and wholly of Republicans, five in number, handling this foreign-debt question.

The paper tells us, before the Senator from Utah could be heard, that if he had been present he would have voted against the amendment, and the next day the Senator from Utah, a member of the commission, a leading Republican in this body, soon to be chairman of the great Finance Committee of the Senate, leaves his tariff conference committee long enough to come in to offer an amendment to burden the masses of the American people, already overburdened with taxation, with a sales tax. Every time a poor struggling man or woman would buy a pair of shoes for a baby or any necessity of life it would be necessary to contribute money through the process which the Senator now offers in this Chamber. Why is this step taken at this time? Why is it that Wall Street's influence has been strong enough to shut the door in the faces of the soldiers for four years, and why, when the light is breaking through and we are about to provide a way to pay the boys a debt long due to them, is it attempted to burden the bill with a provision which Senators know can never pass the House? Why is it that those Senators now present a proposition that every man and woman who consumes in this country will rise and protest against? Why offer this injustice to the American soldier and tax him to pay a debt that we owe him? The American ex-service men, many of them, are not able now to buy food; not able to furnish decent clothes; not able now to provide themselves with shelter, and yet the Senator from Utah [Mr. Smoot]—a partisan member of the funding commission, composed of four other partisans, who are handling a debt due to 110,000,000 people without regard to politics, a political Republican partisan commission—comes in here at this late hour and offers upon this bill, which is now moving toward its passage, a sales-tax provision.

I trust, Mr. President, that the amendment will not receive a half dozen votes in this body. Let us solemnly resolve to-day that we will stand by these boys; that no power in the subsidized press, no power in the money changers of Wall Street, no power in the cohorts of Europe, that no combination of the powers of all of those forces shall cause us longer to mistreat and neglect the American soldier.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. Smoot].

The amendment was rejected.

Mr. SMOOT. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. The amendment proposed by the Senator from Utah is in the nature of a substitute to strike out all after the enacting clause of the bill and to insert the following—

Mr. ROBINSON. I understand the Senator from Utah has stricken from the printed amendment as he now presents it Title VI, which is headed "Adjusted Compensation."

Mr. SMOOT. The amendment which I now present is not the same as the amendment which the Senator has before him. I can explain the amendment in a very few words.

Mr. ROBINSON. May I ask if there is a tax provision in the amendment which the Senator from Utah now proposes?

Mr. SMOOT. There is no such provision whatever. I have stricken that out.

Mr. UNDERWOOD. If we are to have a vote on the amendment, I should like to have it read to the Senate.

Mr. SMOOT. I also desire that the amendment shall be reported.

Mr. ROBINSON. Has the amendment been printed?

Mr. SMOOT. It has been.

Mr. ROBINSON. I have in my hand the copy of a printed amendment intended to be proposed by the Senator from Utah.

Mr. SMOOT. But the Senator has the printed copy of the other amendment.

Mr. ROBINSON. That is the amendment about which I was asking the Senator. I see that Title VI relates to an adjusted compensation tax. What I wish to know is, has Title VI of the amendment been stricken out?

Mr. SMOOT. That has been stricken out.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out all after the enacting clause of the bill and to insert:

#### TITLE I.—DEFINITIONS.

SECTION 1. This act may be cited as the "World War adjusted compensation act."

SEC. 2. As used in this act—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918, but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships; including in either case the period from the date of embarkation for such service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not oversea service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Title II; and

(e) The term "person" includes a partnership, corporation, or association, as well as an individual.

#### TITLE II.—ADJUSTED SERVICE CREDIT.

SEC. 201. The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days, in the military or naval forces of the United States, after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: \$1.25 for each day of oversea service, and \$1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed \$500, and the amount of the credit of a veteran who performed any oversea service shall not exceed \$625.

SEC. 202. In computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer.

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Porto Rico regiment of Infantry, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or the Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough; or

(h) Any individual detailed for work on roads or other highway construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 9 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919.

SEC. 203. (a) The periods referred to in subdivision (e) of section 202 may be included in the case of any individual if and to the extent that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 306.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 202 which are applicable.

(c) If part of the service is overseas service and part is home service, the home service shall first be used in computing the 60 days' period referred to in section 201.

(d) For the purpose of computing the 60 days' period referred to in section 201, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 202, except that the periods referred to in subdivisions (b), (c), and (d) of that section shall not be included.

(e) For the purposes of section 201, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States.

#### TITLE III.—GENERAL PROVISIONS.

##### APPLICATION BY VETERAN.

SEC. 301. (a) The veteran shall file application for an adjusted service certificate as provided in Title IV with the Secretary of War, if he is serving in, or his last service was with, the military forces; or with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.



(b) Such application shall be made on or before July 1, 1923, and if not made on or before such date shall be held void.

(c) An application shall be made (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the veteran and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

SEC. 302. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Secretary of the Treasury a certificate setting forth—

- (1) That the applicant is a veteran;
- (2) His name and address; and
- (3) The amount of his adjusted service credit.

(b) Upon receipt of such certificate the officer to whom it is transmitted shall proceed to extend to the veteran the benefits conferred as provided for in this act.

#### PUBLICITY.

SEC. 303. (a) The Secretary of War and the Secretary of the Navy shall, as soon as practicable after the passage of this act, jointly prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this act and shall from time to time thereafter jointly prepare and publish such additional or supplementary information as may be found necessary.

(b) The officer having charge of the administration of the adjusted service certificate plan, or part thereof, shall transmit to the Secretary of War and the Secretary of the Navy as soon as practicable after the passage of this act full information and explanations as to the matters of which such officer has charge, which shall be considered by the Secretary of War and the Secretary of the Navy in preparing the publications referred to in subdivision (a).

(c) The publications provided for in subdivision (a) shall be distributed in such manner as the Secretary of War and the Secretary of the Navy may determine to be most effective to inform veterans of their rights under this act.

#### STATISTICS.

SEC. 304. Immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of overseas service and of home service, as defined in section 2, for which he is entitled to receive adjusted service credit; and their decisions shall not be subject to review by the General Accounting Office.

#### ADMINISTRATIVE REGULATIONS.

SEC. 305. Any officer charged with any function under this act shall make such regulations, not inconsistent with this act, as may be necessary to the efficient administration of such function.

#### REPORTS.

SEC. 306. Any officer charged with the administration of the adjusted service certificate plan under this act, or of any part thereof, shall make a full report to Congress on the first Monday of December of each year.

#### EXEMPTION FROM ATTACHMENT AND TAXATION.

SEC. 307. No sum payable under this act to a veteran, or to his estate, or to any beneficiary named under Title IV, and no adjusted service certificate shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation.

#### UNLAWFUL FEES.

SEC. 308. Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran in obtaining any of the benefits or privileges to which he is entitled under the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than \$500, or imprisonment for not more than one year, or both.

#### TITLE IV.—ADJUSTED SERVICE CERTIFICATES.

SEC. 401. The Secretary of the Treasury, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 302, is hereby directed to issue without cost to the veteran designated therein an adjusted service certificate (hereinafter in this title referred to as a "certificate") of a face value equal to the sum of (1) the adjusted service credit of the veteran increased by 25 per cent, plus (2) interest thereon for 20 years at the rate of 4½ per cent per annum, compounded annually (such amount being approximately equal to 3.015 times the adjusted service credit of the veteran). The certificate shall be dated, and all rights conferred under the provisions of this title shall take effect as of October 1, 1922. The veteran shall name the beneficiary of the certificate and may from time to time, with the approval of the Secretary of the Treasury, alter such beneficiary. The amount of the face value of the certificate (unless the certificate has been canceled as hereinafter in this title provided) shall be payable (1) to the veteran on September 30, 1942, or (2) upon the death of the veteran prior thereto, to the beneficiary named; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, the amount of the face value of the certificate shall be paid to the estate of the veteran.

SEC. 402. A certificate or any right conferred under the provisions of this title shall not be negotiable, assignable, or serve as security for a loan. Any negotiation, assignment, or loan in violation of the provisions of this section shall be void, the certificate shall be canceled, and all rights conferred shall be extinguished.

#### TITLE V.—MISCELLANEOUS PROVISIONS.

SEC. 501. The officers having charge of the administration of any of the provisions of this act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding \$4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses, as may be necessary efficiently to execute the purposes of this act and as may be provided for by the Congress from time to time.

With the exception of such special experts as may be found necessary for the conduct of the work, all such appointments shall be made subject to the civil service laws; but for the purposes of carrying out the provisions of section 804 such appointments may be made without regard to such laws until the services of persons duly qualified under such laws are available. In all appointments under this section preference shall, so far as practicable, be given to veterans.

SEC. 502. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 503. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Title III or IV, or of any regulation made under any such title, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than five years, or both.

SEC. 504. The Secretary of the Treasury, the Secretary of War, and the Secretary of the Navy shall severally submit to Congress in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this act as each is charged with administering, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, amounts sufficient to defray such expenditures.

Mr. SMOOT. Mr. President, whatever is granted to the veteran of the World War by the Government of the United States as a donation, a gift, or compensation in any form ought to be with a view of assisting not only the veteran himself but those that are dependent upon him; and this amendment, briefly stated, is to give to each veteran a paid-up policy, payable 20 years from the date of the policy or at his death.

The veteran pays nothing whatever. The amount of the policy depends upon the length of his service, running all the way from \$1,400 to \$2,000. During the 20 years he does not receive one cent from the Government if he lives; and if he dies, no matter what time it may be, if it is only one week after taking out the insurance, his estate receives the full face value of the insurance.

The pending bill grants the soldier small amounts, dribbled out at different times; and as the soldier receives it I say without a question of a doubt that 90 per cent of all of it will be spent within a year or two years after the final payment is made.

Every Senator knows the history of insurance received by beneficiaries, not only in this country but in all the countries of the world. The records of the insurance companies tell the story completely, the same story that has been told ever since the beginning of insurance—that 92 per cent of the insurance received by the beneficiaries of persons carrying insurance is spent within three years after the death of the insured. That, I think, can not be disputed.

I want, if I can, whatever is given to the soldier, to see that it is in an amount that will help those who are dependent upon him. If the soldier to-day, in the very vigor of life, can not make a living, with the loyalty of the people of the United States to him, willing to give him preference, and with legislation that we have passed giving him preferences—if he can not make a living to-day, when on earth will he be able to do it? If he dies within a month, his dependents get the full amount of the insurance. If he lives a year or five years or ten years, and then dies, his beneficiaries get the full amount of the insurance, and the amount of the insurance will be an amount that is worth while; and if there is ever a time when help is needed it is when the breadwinner is taken from the family.

Mr. ROBINSON. Mr. President, will the Senator yield to a question?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. Yes; I yield.

Mr. ROBINSON. The mortality tables which are used by the insurance companies in ascertaining the probable life of an applicant for insurance are based upon what may be termed insurable status. Persons who have not that status are not considered in arriving at the rates to be fixed.

How would the Senator ascertain the insurance rate to be paid upon, say, 4,000,000 men of varied insurability, some of them in such physical condition that they might fairly be expected to survive only a short time, and others in a vigorous and healthy condition?

Mr. SMOOT. The amendment provides that every soldier shall have this insurance.

Mr. ROBINSON. I know that; but does the Government itself grant the insurance?

Mr. SMOOT. The Government grants the insurance, and carries the risk.

Mr. ROBINSON. And it is without regard to the insurability or the noninsurability of the soldier?

Mr. SMOOT. Absolutely; that is one thing I think ought to be, because if the soldier is not disabled to a sufficient degree to receive compensation from the Government, I think it is nothing more than right that the Government of the United



States should carry his insurance, even though the regular insurance companies would not insure the man.

Mr. ROBINSON. Of course, the plan would not be presented by the Senator from Utah unless it were contemplated that it should be made applicable to practically all veterans.

Mr. SMOOT. It is applicable to all of the veterans.

Mr. ROBINSON. It would be unthinkable that insurance should be granted to only a few individuals, and they the healthy ones, the least likely to need it.

Mr. SMOOT. They are the least likely to need it, and I want to say to the Senator that I would not think of offering such a proposition to the Senate. Every soldier is entitled to the insurance.

Mr. POMERENE. Mr. President, I was not able, because I was otherwise occupied, to follow the colloquy between the Senator from Utah and the Senator from Arkansas; but do I understand that this would be in lieu of the insurance which a great many of these men have already taken out?

Mr. SMOOT. This is compensation granted to every soldier, no matter whether he is carrying \$10,000, \$5,000, or \$1,000 of insurance, or no insurance. This is compensation for the soldiers, and they get it.

Mr. POMERENE. This is in addition to what they already carry?

Mr. SMOOT. In addition to all they are carrying.

Mr. ROBINSON. How does the Senator arrive at the amount a soldier should receive?

Mr. SMOOT. By the actuary tables used by every insurance company in the United States.

Mr. ROBINSON. But those apply to persons in normal condition exclusively, insurable persons.

Mr. SMOOT. We put them all in that class.

Mr. HITCHCOCK. Will the Senator allow one interruption?

Mr. SMOOT. Certainly.

Mr. HITCHCOCK. Has the Senator an estimate of what this will cost?

Mr. SMOOT. Yes; for each year up to 1943, when the payment will be made. To save time, as long as the Senator has asked the question, I might as well call attention to that now. I will give the figures in millions only. They are as follows:

1923	\$39,000,000
1924	39,000,000
1925	39,000,000
1926	39,000,000
1927	39,000,000
1928	39,000,000
1929	39,000,000
1930	39,000,000
1931	40,000,000
1932	40,000,000
1933	40,000,000
1934	41,000,000
1935	41,000,000
1936	42,000,000
1937	42,000,000
1938	43,000,000
1939	44,000,000
1940	45,000,000
1941	46,000,000
1942	47,000,000
1943	1,723,258,143

That is at the maturity of the 20-year period.

Mr. SIMMONS. Are all these policies for the same amount?

Mr. SMOOT. It all depends on the length of the service.

Mr. SIMMONS. In other words, you take the cash payment to which each soldier would be entitled and then you make out the paid-up insurance policy, based on a table of mortality?

Mr. SMOOT. Based on the tables of mortality used by all the insurance companies, and, as I have said, these are the results.

Now I want to call attention to the fact that there seems to be a feeling throughout the country that we have not taken care of our disabled soldiers. I hardly think that is a fair charge against Congress, because I have before me the figures showing the appropriations we have made.

Mr. SIMMONS. Before the Senator gets to that, let me ask another question. Are those policies salable?

Mr. SMOOT. No; they are not. I am glad the Senator asked me that question, because I feel that wherever insurance is given to a soldier for the full amount it is given for two purposes: First, so that his beneficiaries, in case he dies, will receive an amount which will assist them at a time when they need assistance if they ever will need it in the world. Again, there may be many soldiers who, if they live 20 years, may need the money a great deal more than they need any kind of assistance to-day. I say that we are taking care of the disabled soldiers as well as it is possible for us to do, and, as far as I am personally concerned, I will not hesitate at any kind of an appropriation to take care of them.

Up to April 1 of this year we had expended \$1,996,260,634 for the care of the wounded and disabled soldiers of the recent war.

Mr. POMERENE. Mr. President, did those figures include the appropriations for the current year?

Mr. SMOOT. No; this is up to April 1 of this year.

Mr. POMERENE. I have a statement from the Veterans' Bureau dated May 19, 1922, giving the amount disbursed as \$1,639,000,000, through the United States Veterans' Bureau and its agencies, in behalf of ex-service men and their dependents.

Mr. SMOOT. I think that was to the end of the last fiscal year. Since then we have spent enough to make up the amount I have just mentioned. This brings it up to April 1, 1922. I think that was the figure up to the end of the last fiscal year, June 30, 1921. I have the amounts for each item, and they are as follows:

Military and naval family allowance	\$298,615,000
Military and naval compensation	557,150,000
Insurance	23,000,000
Administration	83,896,880
Hospitalization	224,729,420
Hospital construction	47,095,000
Vocational training	469,123,370
Disposition of remains	33,473,782
Bonus allowance	248,684,200
Payment to beneficiaries of Army men and officers	10,495,000

Or a total of \$1,966,260,634 up to the 1st day of April, 1922.

Mr. POMERENE. The figures I have given were sent to me at my request from the Director of the United States Veterans' Bureau under date of May 19, 1922. I have not sought to verify them.

Mr. SMOOT. I suppose those were to the end of the fiscal year, as the appropriations were made at that time. These figures take in all of the expenditures and bring us up to April 1 of this year.

It may be interesting to note just what the Government has been doing for the wounded soldier. The number of former service men receiving vocational training is 108,200. The average received per month by each man of that 108,200 is \$115, and in addition the Government supplies the men with books, tools, medical care, transportation, tuition in school, and so forth.

Approximately 30,000 are now in the hospitals. The total number wounded was 208,526. The total number discharged for disability was 251,916. The Government is paying compensation on 50,420 death claims and 156,539 disability cases. Monthly payments for compensation are approximately \$10,400,000. The Government is paying insurance on 134,550 death claims and 6,299 disability claims.

The commuted value of war risk term insurance allowed by the Government is \$1,326,985,835.70.

Mr. WILLIS. Mr. President, before the Senator leaves that branch of the subject I want to ask him a further question about the negotiability or nonnegotiability of these policies. The Senator knows it is the practice of every insurance company to provide for loans on insurance policies. He also knows that those policies can be used as a basis for loans. Just why is that specifically prohibited in the Senator's amendment? That is not clear to me.

Mr. SMOOT. The reason is that I want this insurance to go to the soldier at a time when he will need it, and in an amount sufficient to assist him so that he can at least take care of himself when he is 20 years older than he is at the present time. Or I want it to go direct to his beneficiaries in case he dies before the end of 20 years. During the next 20 years the veteran will be in the prime of life. If he can make a living, it is in the next 20 years, and I say to the Senator that if there were a loan privilege granted under insurances policies, the Senator knows, just as well as I know and as we all know, that there would be loans made to them by the banks and loans made to them by the loan sharks from one end of the country to the other. No matter what rate of interest should be charged, if they wanted to get \$75 or \$100, if the value of the insurance from the date of issue to the time they wanted to make that loan was \$100, many of them would get the \$100.

I do not like the pending bill because of the very fact that they will receive the money in dribs, and I say now that, no matter what rate of interest is charged, there will be a rake-off on nearly all the soldiers before the time ever comes when they shall receive the last payment. I think Congress ought to take into consideration the history of the past, and I think the Congress ought to provide a law which will stipulate that if we give a soldier \$2,000 paid-up insurance, that shall be paid to his beneficiary if he dies in a week or a month or a year or five years. If he lives 20 years, he will be more than gratified to receive the full amount to assist him when he needs assistance most.



I think this arrangement would be better for the Government of the United States. We are loaded to the guards with taxes to-day. Our estimated income for the coming year will be only \$3,100,000,000, according to the highest estimate which can possibly be placed upon the revenues of our Government, based upon the existing revenue laws. The first estimate of expenditures submitted was for approximately \$4,000,000,000. The President has ordered that the estimates of expenditures be cut within the estimates of the revenue, and that is what General Lord is undertaking to do, and I have so much confidence in him that I know that when the report comes to Congress it will be within the \$3,100,000,000.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. HEFLIN. Mr. President, the Senator from Utah spoke about what the Government is doing for the soldier who can not take care of himself. I have voted for every measure looking to such care of our disabled soldiers. But I want to ask the Senator from Utah, and every other Senator who opposes adjusted compensation, what he is going to do for the soldier who left a position paying him \$50 or \$100 a month or \$150 a month or \$200 a month and went overseas and was gone from that position for two years or more, and who got but \$1 a day for the service that he was rendering amidst surroundings of danger and death, and when he came home without a dollar in his pocket the job that he had was gone, and in a little while 7,000,000 men were out of employment, there was no job awaiting him, and he could find nothing to do?

I want to know what Senators are going to do for the young man who found himself in the position that I have described, and there are many thousands of them.

I am asking the Senator from Utah and others, what are you going to do for the young man who went through the horrors and hell of battle in a foreign land and who, when he reached home, said, "The job I had is in the hands of another, and now the industries of the country are closed. Deflation has destroyed business. Wall Street is buying up the Liberty bonds that my father and others bought in order to help win the war and have something laid aside for a rainy day. The bonds have been driven down in value. Wall Street got them at \$80 on the hundred. Hard times are everywhere. The war is over. I have been discharged. I no longer draw the \$30 a month. I am turned loose to drift and there is nowhere to go."

What sort of fix is he in? I will tell you what sort of fix he is in. He is in a desperate fix. He is low spirited and sick at heart. That situation has broken the morale of thousands of those brave boys, and Senators here who pursue the course of denying to them simple justice are making Bolsheviks out of the very boys who displayed on the battle fields beyond the sea the noblest type of heroic manhood that the world ever saw.

We are looking after the disabled boys, and we ought to care well for them. But I can see and appreciate that there is something that should be done for the young man who offered to die for his country and who claims that the Government owes him something. He is sound in body and mind, but he has no regular place to eat and sleep and no good clothes to wear. I think it is high time that Senators were showing some sympathy when we know that in many instances collection of old clothes have been had for soldiers whose account against the Government has not been paid. Think of that! Here is the greatest and richest Nation in all the world, with \$3,000,000,000 in gold lying idle, the currency contracted, a little more than \$14 per capita taken out of circulation in a few months' time, and we have not money enough now in circulation to answer the business needs of the people. The able-bodied soldier can find nothing to do. He has been neglected and sorely mistreated, while the big income-tax payer has been relieved, the profiteers exempt from taxation, and war contracts paid. Sharper than a serpent's tooth is the fang of ingratitude.

Mr. President, I believe as certainly as there is a just God in the heavens—and I do believe it with all my heart; I believe it as I believe in the patriotism of the American citizen, and I believe in the sturdy integrity of the great masses of our people—that they will not tolerate this subserviency to dollar aristocracy longer than the coming election.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered and the Assistant Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). I again transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN].

Mr. SIMMONS. May I interrupt the Senator to say that if the junior Senator from North Carolina [Mr. OVERMAN] were present he would vote against the pending amendment? I wish also to state that he is detained on account of illness.

Mr. WARREN. I transfer the pair which I have with the junior Senator from North Carolina to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before with reference to my pair with the senior Senator from California [Mr. JOHNSON], I withhold my vote.

The roll call was concluded.

Mr. EDGE. I am unable to obtain a transfer of my pair with the senior Senator from Oklahoma [Mr. OWEN]. Not being informed how that Senator would vote on this question I am compelled to withhold my vote. If permitted to vote, I would vote "yea."

Mr. CALDER. I have a general pair with the senior Senator from Georgia [Mr. HARRIS], who is absent. Therefore I withhold my vote. If permitted to vote, I would vote "yea."

Mr. BROUSSARD. I have a general pair with the Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. CURTIS. I wish to announce the following general pairs:

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 18, nays 46, as follows:

YEAS—18.			
Ball	Keyes	Phlipps	Warren
Borah	McLean	Smoot	Williams
Dillingham	Nelson	Swanson	Willis
France	New	Underwood	
Frelinghuysen	Newberry	Wadsworth	
NAYS—46.			
Ashurst	Hale	McNary	Shortridge
Brandegge	Heflin	Nicholson	Simmons
Broussard	Hitchcock	Oddie	Smith
Bursum	Jones, Wash.	Pepper	Sterling
Capper	Kellogg	Pittman	Sutherland
Colt	Kendrick	Pomerene	Townsend
Cummins	La Follette	Ransdell	Trammell
Curtis	Lenroot	Rawson	Walsh, Mass.
Dial	Lodge	Reed, Mo.	Walsh, Mont.
Fletcher	McCormick	Reed, Pa.	Watson, Ind.
Gerry	McCumber	Robinson	
Gooding	McKellar	Sheppard	
NOT VOTING—32.			
Calder	Fernald	Ladd	Page
Cameron	Glass	McKinley	Poinexter
Caraway	Harrell	Moses	Shields
Culberson	Harris	Myers	Spencer
du Pont	Harrison	Norbeck	Stanfield
Edge	Johnson	Norris	Stanley
Elkins	Jones, N. Mex.	Overman	Watson, Ga.
Ernst	King	Owen	Weller

So Mr. SMOOT's amendment in the nature of a substitute was rejected.

Mr. FRANCE. Mr. President, I offer the amendment to the pending bill which I send to the desk.

The PRESIDENT pro tempore. The Senator from Maryland offers an amendment, which the Secretary will state.

The READING CLERK. It is proposed to add a new title to the bill, to be known as Title X, as follows:

#### TITLE X.

The President of the United States is hereby authorized to create a board of 48 members, one from each of the States, all of the members of which board to be veterans of the World War, the said board to be known as the American World War-education and hospital board, of which board the President of the United States shall be ex officio chairman. The members of this board to be appointed by the President, and this board shall be authorized to receive contributions, gifts, bequests, and assignments of interests in adjusted compensation payments from veterans of the World War for the establishment of educational and hospital institutions in the United States, and the said board shall be empowered to carry out all of the provisions of this act relative to the said board.

(a) Every veteran of the World War who shall be given or entitled to receive adjusted compensation, a cash bonus, or other form of bonus, under this or subsequent acts, shall be given the privilege and option of contributing such bonus or adjusted compensation to the American World War education and hospital board.

(b) Every soldier or veteran who shall exercise his privilege and option of contributing his adjusted compensation to this board shall be called a "donor," and shall be entitled to wear a special badge which shall be given to him with an expression of the gratitude of the country for his services in the World War and his generosity as a donor, these to be issued by the authority of the Congress of the United



States, and his name shall be enrolled on a bronze tablet to be placed as a perpetual memorial in a conspicuous place in the administration building or buildings of the educational or hospital institutions established under the control of the said board in the State of the donor.

(c) The World War education and hospital board shall receive the principal of the funds donated or assigned to the said board and shall hold said principal and invest and reinvest the same, together with any unexpended increment therefrom, as a perpetual trust fund, and it shall pay over the net income thereof or therefrom for the establishment and maintenance in the several States of such educational and hospital institutions as shall in the judgment of the board be most desirable and useful for the free educational advantages for the citizens and residents of the States and for the more effective care in hospitals and sanatoria of the diseased and disabled veterans of the World War, in all of which institutions the veterans of the World War, their sons and daughters and direct descendants shall have the preference.

(d) The said board shall be authorized to determine as to the character of these institutions for the promotion of education and the public health, but wherever and whenever it shall seem advisable to do so the board shall in its discretion establish in each State institutions of learning where technical, industrial, as well as classical education shall be given free of charge to the students of the State wherein the institution or institutions are established.

(e) In the establishment of institutions by this board the State in which such institutions are to be located shall be invited to counsel with the board and to participate with the said board by the donation of ground upon which such institutions may be located, but the erection, equipment, and maintenance of these institutions shall be solely under the direction of the board. These institutions, however, may be established adjacent to or in connection with State universities already established. In the establishment of such institutions and in the distribution of funds, proper provisions shall be made for the education in suitable institutions of colored students on an equitable proportionate basis.

(f) In the allotment of the funds acquired by the board among the institutions to be established in the various States the institutions of any particular State shall receive a proportion of the total sum to be allotted by the board to all of the States which shall bear the same ratio to that total sum as the ratio of the number of enlisted men from that State to the total number of enlisted men in the Army of the United States during the World War.

(g) The American World War education and hospital board hereby created shall have the power to determine all matters of policy and to exercise all of the powers hereby and hereafter necessary to be conveyed in order that it may carry out fully the provisions of this trust hereby created and the purposes for which the said board has been formed.

Mr. FRANCE. Mr. President, I desire to say but a few words in explanation of this amendment. I believe that the veterans of the World War who are to receive adjusted compensation under this proposed act should be given the opportunity of donating the sums which shall be made available to them for the establishment of a great national memorial which will be of permanent value to the Republic and which will in its creation give them an opportunity again to express in a material way the love and devotion for their country which they exhibited when they offered to lay their lives upon the altar of their country's service.

I am persuaded that the men who made up the splendid Army of the Republic in the World War are not in any sense mercenary. I am persuaded that the vast majority of them, if given such an option as my amendment contemplates, and afforded the opportunity of contributing to such a perpetual memorial, would avail themselves of the opportunity. I understand that the total sum which will be made available under the pending bill approaches \$3,000,000,000—three thousand millions of dollars—or about \$60,000,000 for each State. It is very apparent that this is a sum perhaps in excess of the total now invested in our educational institutions. I have not checked up accurately to ascertain the sum so invested, but some years ago, in 1919, all of the public-school buildings in the United States were worth only approximately \$950,000,000. It is very evident that, if the veterans of the World War should avail themselves of the option which this title if enacted into law would give them, they would be able to make a very great contribution to our educational system.

In my opinion, this is a cause which will greatly appeal to our ex-service men. As I go out among the veterans I find that they are not in any sense mercenary; that they are not particularly anxious to have the money for the money's sake, but they do feel that there should be some substantial recognition of their services. In view of what I know of the attitude of those men, I feel that if this option were provided for in the bill a very large sum of money would come to the board proposed to be created under this title which could be used for the permanent benefit of the Republic.

Mr. President, I do not care to speak at length upon this question. I have already on a previous occasion discussed the subject of the bonus and the attitude of our veterans toward it; but I am persuaded that the men who made up our armies constitute the noblest, the most patriotic, the most devoted band of men who ever went into the armies of any country, and I am further convinced that if given this opportunity they would offer a great demonstration by their gifts of their continued devotion to the country, of their desire once more to be of service to the Nation by each one contributing money to this great cause.

Men who will offer up their lives without a question in the cause of the preservation of the Republic are men who will, when placed in a position to do so, render any further service in their power to the Republic. They are men eager to place fragrant gracious gifts upon the altar of self-sacrifice; and I believe that if this title shall be added to the bill the people of the country will be surprised at the manner in which these soldiers who have been criticized because they have asked for a further recognition of their services will respond to the opportunity.

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. FRANCE. I yield.

Mr. SIMMONS. Does the Senator's proposal give the profiteers any opportunity to contribute to this benevolent fund?

Mr. FRANCE. Yes; they would have an opportunity, I believe, to contribute to the fund if they wished to do so; but personally I believe that legislative bodies, wherever they can—and I am not referring to the national legislative body—should see to it that all of those who are able to pay taxes should contribute more taxes to the general cause of education. I believe that in a general way, however, those who profited during the war at the expense of their fellow citizens are not the class upon whom we can call for generous donations of gifts. The man who profiteers during a period of war such as that through which we have been passing is not the man who will ordinarily make generous gifts to his country. That is entirely a different question; but I am saying that these men who did not profiteer, if given an opportunity to show once more by this gift their love and devotion to their country, will make the gift. I believe that. I believe it from what I know of the men, many of whom are my personal friends. I believe that it would be a wonderful demonstration, as I say, which they would give if offered this option under the bill.

These men, of course, were not profiteers during the war, nor are they profiteers now. I have explained to the Senate in a previous address my views as to how this agitation for the bonus began. It began first with the disabled and diseased men who were not being properly cared for.

The agitation was then taken up by those who were victims of the unhappy economic conditions which followed the close of the war—economic conditions which, I have said, were brought about through the failure of the Congress and of the other legislative bodies to deal with the great problems created by the war. I believe that now all of those who are not in real economic distress, and even some of those who would make this gift at great sacrifice to themselves, would be very glad to avail themselves of an opportunity to give a whole or a part of the compensation which they are to receive to their country and to the great cause of establishing these institutions at which they and their sons and daughters and direct descendants would receive special opportunities for education.

I do not wish to detain the Senate, but I should be very happy if I could have a yea-and-nay vote upon this question. I feel that all who do vote for this amendment will show their confidence in the men who made up our armies, and, moreover, their faith in the devotion of these men to any good cause which would be of permanent service to the Republic.

Mr. JONES of Washington. Mr. President, as I understand the Senator's amendment, it does not affect any part of the bill, but simply adds this provision to it.

Mr. FRANCE. It simply adds this as an option. It simply provides that any veteran of the war can, if he pleases, contribute any compensation which he receives to this World War education and hospital board, so that it may be used for the establishment of institutions in the various States.

Even if one-half of all that is received is so donated, that would be approximately a billion and a half of dollars, which is a sum probably far in excess of the total value of the public-school facilities in the United States at present, and probably far in excess of the total endowments of all of the State universities, although, as I say, I have not compiled any figures upon that point.

I have always felt that there should be some recognition in the way of a permanent memorial for the great services which these men have rendered to the country. While I do not feel that the time is opportune for the Government to establish such a memorial, I do feel that if we pass this bill it should have this optional feature in it. All of the other options in this bill are options to get; but I believe, from what I know of our men, that an option to give would be the most popular option in the bill, and I should like to test it out before the country. I believe that some of the men of the country would find, to their astonishment, that a very large proportion of the men who were willing to go to war and offer up their lives, if need be, upon the altar of their country, are now willing, no



matter what the profiteers do, to give, whatever their country may give them, to the great cause of making this a greater and a better country.

I hope the amendment will receive some serious consideration, and I hope the Senators will extend me the courtesy of a ye-a-and-nay vote upon it.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Maryland [Mr. FRANCE], upon which the yeas and nays are asked for. Is the request seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my pair as to the previous vote, I vote "nay."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce that my colleague [Mr. OVERMAN] if present would vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before with regard to my pair, I withhold my vote.

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from South Dakota [Mr. NORBECK] and will vote. I vote "nay."

Mr. CALDER. I am paired with the senior Senator from Georgia [Mr. HARRIS], and therefore withhold my vote.

The result was announced—yeas 3, nays 55, as follows:

#### YEAS—3.

France	Jones, Wash.	Nicholson
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#### NAYS—55.

Ashurst	Hale	New	Smoot
Ball	Heflin	Newberry	Starfield
Brandagee	Hitchcock	Oddie	Sterling
Cameron	Kellogg	Pepper	Sutherland
Capper	Kerdrick	Pittman	Swanson
Colt	La Follette	Pomerene	Townsend
Cummins	Lenroot	Ransdell	Trammell
Curtis	Lodge	Rawson	Underwood
Dial	McCormick	Reed, Pa.	Walsh, Mass.
Dillingham	McCumber	Robinson	Walsh, Mont.
Edge	McKelhar	Sheppard	Watson, Ind.
Fletcher	McLean	Shortridge	Williams
Frelinghuysen	McNary	Simmons	Willis
Gerry	Myers	Smith	

#### NOT VOTING—38.

Borah	Glass	McKinley	Reed, Mo.
Broussard	Gooding	Moses	Shields
Bursum	Harrell	Nelson	Spencer
Calder	Harris	Norbeck	Stanley
Caraway	Harrison	Norris	Wadsworth
Culberson	Johnson	Overman	Warren
du Pont	Jones, N. Mex.	Owen	Watson, Ga.
Elkins	Keyes	Page	Weller
Ernst	King	Phipps	
Fernald	Ladd	Polindexter	

So Mr. FRANCE's amendment was rejected.

Mr. CURTIS. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow morning.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is ordered accordingly.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to further amendment. If there be no further amendment to be proposed, the bill will be reported to the Senate.

Mr. SHORTTRIDGE. Mr. President, a parliamentary inquiry. It was my intention, and still is my intention, to address the Senate on this bill; but I do not desire to enter upon that discussion at an hour which would be inconvenient to others. If there are others who desire to address themselves to the bill briefly, I will gladly waive my present right to do so. I say that in the hearing of those some of whom perhaps may desire to address the Senate briefly, not indicating that I shall unduly prolong my remarks.

Mr. HITCHCOCK. Mr. President, a parliamentary inquiry. Has the bill been reported to the Senate yet?

The PRESIDENT pro tempore. The Senator from California interrupted the Chair at the moment the bill was passing into the Senate. In view of that interruption, it will still be considered as in Committee of the Whole.

Mr. SHORTTRIDGE. Mr. President, I hope this Nation may never incur and deserve the stigma and reproach which have all too often sullied the name of republics. I trust my country may never be justly charged with the unpardonable sin of ingratitude. Gratitude is the fairest flower that sheds its perfume in the heart of man or nation. The man who is not grateful for benefit received is lower than the beast of the field. The nation that is not grateful for sacrifices made in its behalf, for exposure to death in order that it may live, will not long retain, if it deserves, the love of its people or the respect of mankind.

The nation that is not duly grateful to him who dies for it merits the scorn of earth and the contempt of heaven.

Not by my vote shall that hideous and hateful word "ingratitude" be stamped on the white and spotless brow of my country. Not by my vote shall my country fall in her duty to the dead or to the living soldiers and sailors of this Republic. And what, Mr. President, is the nature, the character, and the extent of that duty resting on this great and rich and independent Republic?

As in the days of Washington, as in the days of Jackson, as in the days of Lincoln, as in the days of McKinley, as in every day when the independence or life of this Nation was in peril, so in the late Great War the sons of America responded to their country's call in her hour of deadly danger and fought and died on land and sea for the flag of freedom.

Out of their loyal service, out of their heroic death, springs our duty, our stern duty, which is, and should be, considered sacred. Need I remind my countrymen of that duty?

Lord God of hosts, be with us yet,  
Lest we forget, lest we forget.

What, then, is that sacred duty which should and must and shall be performed?

We owe a sacred duty to the dead. We owe them the tribute of our love and tears. Their names are enrolled in the historic archives of the Nation for which they gladly died and their example will be an inspiration to the sons of the Republic so long as patriotism abides in the American heart. Wheresoever it be, in unknown foreign grave or in ocean depths, they sleep in peace and honor, brave sons of America, faithful unto death.

We owe a sacred duty to many who mourn for the loved ones gone—helpless children, feeble mothers, it may be aged fathers, bereft of parents and sons. That duty must and shall be performed. It may cost us something, but what of that?

To the living soldiers and sailors we owe a duty no less sacred, a duty that must and shall be performed.

First, we owe the most sacred, the most solemn, the sad duty to those who returned wounded in body, sick in mind, wrecks of early strength and manhood. They must be lovingly watched over, tenderly cared for, nursed back to health and hope and happiness. No amount of money, wisely, sympathetically expended, must be spared in this work. Hospitals—modern, clean, and sufficient—vocational training adapted to the needs and inclination of the soldier; as to these matters and everything which is helpful to rehabilitate the son hurt in his country's cause we must expend whatever sums are required. There must be no inattention, no indifference, no slacking, no niggardliness. There must be vigilant and sleepless performance of this duty.

And the employee of the Government charged with the performance of this work who neglects his duty, whether he be high official or obscure workman, should be instantly dismissed and promptly shot.

These duties to the dead and their dependent survivors, to the living sick and wounded, we are performing and must continue to perform. Thus and thus only can we prove that we are worthy citizens of the Republic for which they spent their strength and shed their blood. We have expended \$1,840,272,922.16 in this work and we must expend millions and billions more. Oh, the burden and the sorrow of war.

I can not believe there is an American citizen so miserly, so ungrateful, so base as to begrudge the money expended and to be expended in the carrying on of this needed and necessary service.

But, Mr. President, something more remains to be done for the soldiers and sailors of this Republic before we shall have performed our full duty to those who planted its flag on the heights of victory and eternal glory.

To those who fought the good fight and contributed to the righteous victory and providentially returned unhurt in body and mind but who suffered and suffer in loss of time and opportunity we owe a duty which we should promptly and gladly perform, and this duty we intend to perform by the enactment of this bill into law.

And, sir, in promptly and cheerfully performing that duty we honor ourselves no less than we recognize heroic and loyal service rendered.

#### THE WORLD WAR.

Pause for a moment, Mr. President, to recall the Great War. The earth trembled beneath the tread of mighty armies. The Old World, which should have been wiser, for wisdom accompanies age, was in arms. Statesmanship, so called, diplomacy, secret and sinister, had failed. Above fertile fields red with brothers' blood, above fragrant meadows wet with women's tears, above ruined cottages and palaces, profaned temple and



cathedral, above but within hearing of the carnage and agony of war angels hovered and cried:

Peace on earth; good will toward men.

But the roar of cannon, the shriek of shell, drowned those heavenly voices, and death smote the young and fair, the old and feeble. The fields of Europe were furrowed by war's hot plowshare. The very structure of civilization, erected by the toil and genius of centuries, trembled and tottered to its fall. At first the danger to us was remote. We stood aloof and maintained a strict neutrality. But the danger came nearer, and finally we were engulfed. We called upon the manhood of the Nation. They—these young men to reward whom this bill is designed—responded to their country's call. They came from city and village, from factory and farm, from mine and forest, from all ranks and conditions of life, from every State in the Union. We sent them forth with our blessing and our prayers.

Many of them crossed the ocean; they fought; God, how they fought; through dangers and darkness, with undaunted courage and unsurpassed devotion to duty, under great leaders they carried on; they knew no such word as retreat or failure; they welcomed death if death could contribute to victory; they carried on and on until the radiant morning of victory again blessed the undefeated flag of our country. They returned home to the land they had defended. We welcomed them with outstretched arms; we strewed flowers in their way to tread upon; reverently we thanked God that he had led them through the "valley and shadow of death" and brought them in safety home.

Mr. President, we can not pay the debt we owe—the debt of gratitude, the debt of honor, the debt a mighty nation, saved by their valor, owes to its sons. But we can try to do so; we can in part discharge our obligation, and this we can do in manner contemplated by this bill without emptying our Treasury or impairing our credit.

Mr. President, I am conscious of the hour, and am aware that the measure has been elaborately discussed by many eloquent Senators who preceded me. I have heretofore trespassed little, if at all, upon the attention of the Senate in the consideration of the measure. I feel the least embarrassment in proceeding, but I overcome that and shall ask the indulgence of the Senate if I proceed to a brief analysis of the measure before us.

But before proceeding to such analysis of the bill, and the plan for meeting its cash and other requirements, let me pause to ask its opponents, be they here or elsewhere, whether there is such a thing as a moral obligation, and whether they recognize such a thing as a moral obligation resting on a nation. Whatever their reply may be—and some of them, not here but elsewhere, seem to sneer and scoff and ridicule at such a thing as a moral obligation—the Nation recognizes that it is morally, if not legally, obligated to do justice to its loyal citizens. We have advanced—given—to loyal citizens millions and millions of dollars when there was no legal obligation whatever. In some instances it was questionable, or at any rate questioned, whether there was any moral obligation at all. For example, finding itself in sore need of essential minerals, the Nation called upon its citizens to go forth and prospect for, discover, and produce chromé, tungsten, magnesite, and pyrites. Many citizens of the West responded to the call, animated by patriotism, and perhaps, in some instances, a desire for gain. There was no legal obligation on the Nation to reimburse them. The sudden termination of the war left many of them bankrupt, others with great material loss. I repeat there was no legal obligation on the Government to reimburse them for losses suffered, to compensate them for service rendered. But what did the Government do? We promptly appropriated \$8,500,000 to relieve those citizens from financial embarrassment and loss. I take some pride in recalling that I had the honor to introduce, during the late extra session, the bill which ultimately became a law amending the former act, and making it possible for bona fide claimants to receive the amount of their net losses incurred in that enterprise of assisting the Government during the war.

We have given, Mr. President, and even now continue to give millions of dollars in the shape of bonuses to civilian employees, stenographers, clerks, and other employees of the Government. In 1918 we gave, in the shape of bonuses to those employees of the Government, over \$11,000,000; in 1919, \$16,000,000; in 1920, \$87,000,000; in 1921, \$70,000,000; and in 1922, \$34,000,000. We have appropriated over \$38,000,000 for the same purpose for the year 1923. In other words, in the shape of bonuses—call it what you will, gratuity, bonus, gift—we have appropriated and paid out, or will have paid out, \$257,919,068 to the civil employees of the Government.

The bonus or gift of \$240 per year—\$20 a month—has been given to each employee, though his or her salary mounts up to \$2,500 per annum. I would have thoughtful Senators, and those elsewhere who complain, to remember the facts which I have thus called to their attention. This bonus of \$240 a year given to civil employees, in many instances given to employees receiving as high as \$2,500 a year, is far in excess in proportion of ratio of the bonus or gift or gratuity or adjusted compensation which we contemplate giving to the soldiers and the sailors of the Republic.

I shall not develop that argument further. Senators' own minds will carry it forward, but I here and now say that if it was justifiable, if it was proper, if it was just to give those bonuses to the civil employees who perhaps went no further in the performance of their duty than from the White House to the Capitol, is it not just to recognize those who went thousands of miles from their homeland exposing life in the defense of their country?

Now let me invite attention to something else we have done. We have recognized an equitable right of citizens to reimbursement where they have suffered losses by reason of the sudden termination of contracts. We have not paused curiously to consider technical, legal rights. We have recognized broad, generous, equitable principles and rights.

I heard no sound of protest coming up from the feeble-minded editors of some of our cities, I heard no protest or whining from certain quarters who now seem to be appalled at the proposition involved in the pending bill, when we, great, generous, rich Nation, thus recognized that there is such a thing as an equitable right, an equitable principle, to be recognized by a nation as well as by civilized man.

Again, Mr. President, we have held ourselves obligated to restore to their owners the railroads taken control of by the Government as a war measure and to reimburse the owners for losses suffered and to guarantee a fixed net income for long periods. In this behalf we have given over three-quarters of a billion dollars. Just right, men say; no complaint, it being regarded not only in this instance as the recognition of the Constitution and principles there engrafted, but also a carrying out of the express or the implied promise of this Nation.

Again, Mr. President, we have felt ourselves bound to relieve the sick and feed the hungry of foreign lands and to assist the feeble governments. In so doing we have advanced or given vast sums which will never be repaid. Why did we do it? What impulse moved us? Is there anyone who criticizes it? Is there anyone who is sorry or regretful that we have done this thing? We did honor to ourselves and added new and greater glory to our own great reputation for righteousness and for a merciful disposition toward the suffering of humanity.

Mr. President, as a Nation, as the *parens patriæ*, we have on numberless occasions gone to the relief of our own people who have been overwhelmed by fire or flood.

And here and now, Mr. President, I wish to thank this Nation for its generous aid so promptly given to stricken San Francisco in the hour of her appalling disaster. Risen from her ashes, she stands again in majestic beauty, there by the Golden Gate, a living witness, a grateful witness, to the fact that this Nation never fails to respond to those finer sentiments and unselfish emotions that dignify an ennobled human race.

In many of these cases, I repeat, there was no technical legal obligation resting on the Government, but we felt and recognized a moral obligation and we discharged that moral obligation. Now I ask Senators—and my question may go out to the country—what was the obligation in any of those cases compared with the obligation we are under to the loyal soldiers and sailors of the Republic? I am not criticizing, I am not censuring anything that has been done, but I am reminding and calling upon this Nation to remember.

Mr. President, I take great pride as a humble citizen of this Republic in believing that we are a just and righteous Nation and that our benefactions have sprung out of a sense of duty toward those who served and suffered. If ever a moral obligation rested on a nation to reimburse its sons for losses suffered or to partially compensate them for invaluable services rendered, that obligation rests on this Republic. Now, let us honor ourselves by recognizing and discharging that obligation. Let us not be shamed in the face of the world by failing to do in like manner what other and less great, less rich, less powerful nations have long since done and are now doing. Contemplate what other nations have done and consider their resources and their burdens as compared with our own.

Great Britain, Canada, New Zealand, Australia, France, Belgium, each has given more to her soldiers, in proportion to resources and liabilities, than we propose to devote to our sol-



diers by this bill. The victor nations have deemed it wise and just to reward their victorious soldiers; but what of the vanquished? Germany, defeated, revolutionized, borne down by enormous debt, her overseas colonies and possessions gone, her once great merchant marine lost, stripped of productive territory—even Germany, staggering under the colossal burden she bears, has, in some measure, done the same thing toward her soldiers and sailors. Here, Mr. President, I ask that a tabulated statement showing what other nations have done in this regard may appear in the RECORD as part and parcel of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

PAYMENTS SINCE THE WAR BY FOREIGN COUNTRIES TO THEIR VETERANS.

The following tables show the payments made by foreign countries to their veterans since the war:

Foreign bonus payments to enlisted men of World War.

Country.	Base of bonus, maximum rate.	Maximum possible.	Probable average.	Total cost.
Great Britain.	£5 plus 10s. per month's service in excess of one year; maximum 48 months.	£20 (\$101.50)	.....	£78,831,556 (\$275,910,446) to men and officers.
Canada.....	Pay and allowances they would have received if not demobilized, for from 1 to 6 months, depending on service.	\$600 (\$540)	.....	\$164,000,000 (\$147,600,000).
Australia.....	1s. 6d. per day of service.	£117 (\$409.50)	£83½.....	£30,000,000 (\$105,000,000); mostly paid in 5½ per cent bonds, maturing May 31, 1924.
New Zealand.	Same as Australia.	£117 (\$409.50)	£58½.....	£5,225,000 (\$18,290,650) to May 20, 1920.
France.....	250 francs plus 20 francs per month for services at front, between Aug. 2, 1914, and Nov. 11, 1918.	1,270 francs (\$36.25).	.....	4,964,948,670 francs (\$372,371,150); payable in monthly installments of 100 francs.
Belgium.....	75 francs per month for services at front, Aug. 1, 1914, to Nov. 11, 1918, less family allowance.	3,825 francs (less family allowance) (\$287).	.....	141,230,000 francs (\$10,592,250); in budget for 1921.
Germany.....	.....	65 marks (\$0.97)	65 marks..	.....

Mr. SHORTRIDGE. Mr. President, am I now to be told that this mightiest Republic, this richest Nation on earth, can not, without going into bankruptcy, meet and discharge the requirements of this bill? With due respect for others—some of whom, not all, are in subordinate executive places, and whose duties are executive rather than legislative—I submit that the showing which has been made here demonstrates that without embarrassment, without appreciable extra burden, this Republic can finance this bill; but I hasten to add that if it did cause a little embarrassment, or if it did cause a little extra burden by way of taxation, we should favor the measure.

Let me direct your attention, Mr. President, to a contrast which I think should be borne in mind when we are considering this proposed legislation. Compare the pay of the soldier with the pay of the man who remained at home. Let us be frank; let us be truthful. The soldier's pay was little; the many who remained at home—willing to go, it may be, but who were assigned to the essential industries—received large wages, increased from time to time. Just pause to contrast the wages—if we are to lower this argument and put it upon a mercenary monetary basis—of those remaining at home and the wage, if you choose to so call it, paid to the soldier or the sailor. Of course, those who were thus engaged in home essential industries rendered service to their country, and I am not now saying that they did not render good service; but I do not wish it to be forgotten that whereas the boy from California, from my own beautiful Menlo Park, who went yonder to fight and expose his life on the battle fields of France, received a pittance, there were others engaged in certain industries who received almost as much per day as the soldier in France received per month.

Then there was another class which we should bear in mind, and who should never be forgotten, and that is the pale-faced,

pigeon-livered cowards, the slackers of this country, who evaded service when their country called. By subterfuge, by lies, by trickery, by all sorts of evasions they avoided service; and doubtless having by such means evaded service, they engaged in industry and earned much money compared to the soldier.

There was another class who remained in this country—the conscientious objector. Perhaps I tread upon dangerous ground or may offend some who think radically otherwise than I do, but I never have come to understand the condition of that man's heart or patriotism who had a conscientious objection to fighting for his country when its life was in peril; and I am very sure that there is not a God in heaven who will frown upon or punish any man who fights and dies for this blessed Republic of Washington and Lincoln; and yet there were many of these conscientious objectors who avoided the service rendered by the soldiers and sailors whom we contemplate assisting through this proposed legislation.

Then there was another type of recreant Americans, cowards all, in heart traitors all, who evaded the just and necessary selective draft act; and let us be frank and let us be truthful. Right in the Capital of the Nation there were many who were running hither and yonder and using all their little political influence to be assigned to essential-industry work, and in many instances succeeded, thereby avoiding going to war; and here they sat on their chairs looking at the clock for the hour to stop work, and I dare say they received more in one month than five or six or seven, perhaps eight, brave soldiers received, crossing the treacherous ocean, death above and death below, fighting and exposing their lives in the forefront of battle. Having by subterfuge and cunning and small, little political influence succeeded in avoiding the draft, we have given them a bonus amounting, as I have stated, to many, many millions of dollars, and they are still getting the bonus; and do I hear any complaining?

Then there were the criminals who robbed their country in its hour of mortal combat—the contractors, the high-toned thieves who took advantage of the occasion and of the opportunity to graft upon their country—their country, whose laws, from the Constitution down to the municipal ordinance, protect them in their property. There were the rich contractors or the poor and designing criminal contractors made rich by grafting upon their Government.

I name no names, but the current history of this country and the court records of this country reveal their names; and I venture to say that every one of them, without exception, is objecting to the passage of this law, or the giving of any reward in the shape of compensation, to be by this law adjusted, to the soldiers and the sailors of the Republic. Doubtless there were others here of different type of unworthiness, earning money, profiteering, taking advantage of the situation, whilst our brave sons were "over yonder" or in camp preparing to go wherever duty called them.

It must be borne in mind that those who volunteered, as well as those who entered the service through the law, in most instances left remunerative employment. From my own State of California there went into the service 135,205 young men. I think I am warranted in saying that practically every one of those young men was engaged in profitable, remunerative employment, steady employment; for the record shows that they were capable young men, sober young men, and in every way fit young men to render their country service, as they had been rendering their several employers service. Many of them, it is true, were themselves employers, well to do, employing others; but, speaking generally, they were all employed, and they left their positions to enter the service. What I say of California was, of course, true of Oregon, of Washington, of Idaho, of Colorado, of Ohio, of Massachusetts, of all the States in the Union; and I would have opponents of this measure bear that in mind when discussing this bill and proposing to adjust the compensation of the soldier and the sailor.

There is another view of this bill which I desire to present to the Senate. Stated briefly, it is this:

We drafted men and we drafted property. How have we dealt with the property we drafted? We have returned or proposed to return it unimpaired, so that the owners shall not suffer the loss of money. We drafted men, and they have returned. If it is right, if it is just and equitable, to return property drafted unimpaired in value and reimburse the owner thereof for any loss suffered, why is it not just and right and proper to reimburse the man so that he shall not have suffered materially? If just in the one case, it is just in the other; and yet I ever and again refuse to place my support of this bill



upon the purely monetary or mercenary ground; but if I am driven to that argument or asked to stand upon that ground, then once more and again I propound the question to gentlemen: If it is just and right to restore, without loss to the owner, property which was taken, drafted as a war necessity, why is it not likewise just and proper to restore the man without loss? He lost employment permanently, and he lost current income. The soldier lost his position. He lost wages. He lost opportunity. He lost his position, and in hundreds and thousands of cases the positions were lost for all time. He returned, indeed, to find his occupation gone.

Oh, how well do I remember that it was said and published that the positions would be kept open for the returning soldiers! I heard many eloquent speeches on that subject during those days. How many were kept open? Therefore there are hundreds and thousands of young men who either volunteered or who entered through the law into the service of the country who lost their positions and lost opportunity for advancement in life. I have them in mind, if others forget them. I remember them, if others close the door upon them.

Mr. President, how shall we meet the requirements of this bill? I had intended to discuss the bill somewhat in detail. I content myself now by merely propounding the question and calling upon others to answer it: What are the demands which we can not meet? What are we called upon to do? No Senator who has thus far spoken has successfully answered or refuted the masterly address of the senior Senator from North Dakota [Mr. McCUMBER]. No one has set before him the task of undertaking to answer it. There it is in the record. There is a logical, a clear analysis of this measure, and there is a clear and unrefuted statement as to how the demands upon us can be met. Let those who oppose this bill answer the Senator from North Dakota—grand, upstanding American patriot—who has stood here for nearly a quarter of a century representing his own great State, but also representing and loving this greater Republic.

Let the newspapers elsewhere, which are trying to blot or mar his national fame, answer this great American patriot. Let them undertake, even, to answer the statement which he made here, without passion, without invective, without any attempt at display, without vituperation or declamation; let these editors, whether they be walking the Champs Elysee or luxuriating in New York, answer this great American Senator before they bawl their inane sentiments out before the American people, attempting not only to discredit this measure but to discredit this patriotic citizen.

I would be but traveling over ground thoroughly covered if I undertook to analyze this measure as I had intended to do. I content myself by asking Senators to bear in mind that great and logical speech; that analysis of this bill, made, not in hostility to anyone who differed from him, but answering the objections which have here been advanced, and which perhaps have come from other quarters.

Read the report of the committee accompanying this bill. Has any one set about to answer the statements therein contained? I respectfully challenge any honored Senator who is opposed to this measure to make answer to the argument of the Senator from North Dakota [Mr. McCUMBER] or to the facts set out in the report accompanying this bill.

Mr. President, it is said that the eye of childhood fears a painted devil; but are we so timid, are we so weak and afraid of the future, as to look upon the demands of this bill with terror? We can easily pay, we can easily meet every requirement of this bill when it is intelligently administered, and we may well assume that it will be intelligently and properly administered.

Ah, but I am told, and some gentlemen remind me, that the Treasury is empty, and that our credit may be impaired to the injury of the stock market. I recognize that we owe some twenty-odd billion dollars. Uncle Sam has never yet repudiated, he never will repudiate, a legal or a moral obligation; but when we talk of liabilities and outstanding obligations, we should consider our resources, our ability to meet the demands upon us.

Among our assets are the legal obligations due us, the debts due us from foreign nations. I have heretofore expressed my views in regard to those debts and those obligations. In order that what I may say will be justified, I ask that there appear as a part of my remarks the latest statement issued by the Treasury Department showing the amounts due us severally by or from these foreign nations.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

*Statement showing obligations of foreign Governments held by the United States (including those held by the United States Grain Corporation), interest accrued and unpaid thereon up to and including the last interest period, and interest heretofore paid.*

Country.	Principal amount of obligations.	Interest accrued and unpaid up to and including the last interest period.	Total indebtedness.	Interest heretofore paid.
Armenia.....	\$11,959,917.49	\$1,677,255.88	\$13,637,173.37	.....
Austria.....	24,055,708.02	2,165,013.81	26,220,722.78	.....
Belgium.....	377,123,745.94	51,391,987.94	428,515,733.88	\$14,609,052.01
Cuba.....	7,740,500.00	.....	7,740,500.00	1,850,733.14
Czechoslovakia.....	91,887,668.65	12,797,876.74	104,685,545.39	304,178.09
Estonia.....	13,999,145.60	2,089,625.68	16,088,771.28	.....
Finland.....	8,281,926.17	1,012,436.10	9,294,362.27	.....
France.....	3,340,867,593.20	430,049,062.65	3,770,906,655.85	170,304,490.63
Great Britain.....	14,135,818,358.44	611,044,201.85	14,746,862,560.29	250,132,185.50
Greece.....	15,000,000.00	375,000.00	15,375,000.00	1,159,133.34
Hungary.....	1,685,835.61	202,300.28	1,888,135.89	.....
Italy.....	1,645,034,050.90	243,490,553.37	1,889,514,604.27	57,598,852.62
Latvia.....	5,132,287.14	643,576.87	5,775,864.01	126,268.19
Liberia.....	26,000.00	2,808.85	28,808.85	861.10
Lithuania.....	4,981,628.03	747,244.20	5,728,872.23	.....
Nicaragua.....	170,585.35	.....	170,585.35	.....
Poland.....	135,662,867.80	17,380,785.13	153,043,652.93	1,290,620.78
Rumania.....	36,128,494.94	5,288,958.85	41,417,453.79	263,313.74
Russia.....	192,601,297.37	35,019,427.03	227,620,724.40	7,717,333.43
Serbia.....	51,104,595.58	7,333,455.81	58,441,051.39	636,059.14
Total.....	10,102,252,207.13	1,422,699,662.02	11,524,951,869.15	505,002,109.71

<sup>1</sup> Includes \$61,000,000 of British obligations which were given for Pittman silver advances and for which an agreement for payment has been made.

Cuba pays interest as it becomes due.

No interest due on Nicaraguan notes until maturity, as is also the case with certain Belgian obligations aggregating \$2,284,151.40.

Mr. SHORTRIDGE. Mr. President, this was furnished me yesterday from the Treasury Department. I hope Senators will indulge me a moment while I invite their attention to some of these countries and the amount they severally owe the United States of America.

Let it be understood that there is no question as to the amount due us. There is no question as to the validity of our claims. There has been no question raised as to how or under what circumstances the money was loaned or advanced to these several nations. Thus Armenia owes us, speaking in round numbers, \$12,000,000. Of course, Armenia is crushed and bleeding, and may scarcely be regarded as an independent or self-acting nation. The Turks are still crushing her; but Armenia owes us \$12,000,000.

Austria owes us \$24,000,000. Belgium owes us \$377,000,000. Have we not done something for Belgium? Cuba owes us practically \$8,000,000. Czechoslovakia owes us, in round figures, \$92,000,000. Estonia owes us \$14,000,000. Finland owes us \$8,000,000. Hungary owes us \$1,700,000. Latvia owes us \$5,000,000. Liberia owes us \$26,000. Right here and now permit me to say that I favor canceling that debt of Liberia to us. Let us forgive Liberia. Nicaragua owes us \$170,000. Poland owes us \$135,000,000. Rumania owes us \$36,000,000. Russia owes us \$192,000,000. Serbia owes us \$51,000,000.

France—we did not forget Lafayette; I sometimes fear, however, that France forgets Uncle Sam—France owes us \$3,341,000,000 in principal.

England, mighty England—Great Britain—with her mighty capital, her mighty colonies, her far-extended dominions, owes us \$4,136,000,000.

The total of these principal sums is \$10,102,252,207.13. There is due us as interest \$1,422,699,662.02. There is a total indebtedness, admitted, unquestioned, of these foreign nations due us of \$11,524,951,869.15. Eleven and a half billion dollars are due us from these several nations.

We advanced that colossal sum of money to help the struggling nations of Europe. In order to do so we had to borrow that money. We had to go out to our own people and borrow. We gave our own promissory notes, our own bonds, to our own people for this money, to lend to the foreign countries. We did not seek to make money by the proceeding, nor do we ask them to pay us any more than we are required to pay our own creditors. We are obligated to pay certain sums in principal and certain sums in interest, and we propose to discharge those obligations. What I have said for many, many months, Mr. President, and what I here take the liberty of repeating, is that these foreign nations should be called upon to set about, and be called upon speedily to set about, paying us the interest due and thereafter and in manner agreed upon the principal sums due this Nation.

We have passed a law providing that each of these nations may pay us the principal in their bonds. We are not hard-



hearted or cruel or mercenary. We give them time, we offer them opportunity, and the bill which we passed authorizes the commission which we set up to accept the bonds of those nations running up to 1943; we give them until that time within which to pay the principal due us now.

I feel kindly disposed toward the nations named. In my heart, sir, in my mind, I still feel grateful for what Russia did for this Republic in other days, and what she did in the early stages of the world's Great War. So I feel not unkindly toward the Russian people, and the nation of Russia. She owes us \$192,000,000. I hasten to say that I have no firm faith, perhaps no faith at all, that those now in control of the Russian Government will recognize this debt or pay this money, and perhaps I should qualify an earlier statement by excluding Russia when I said that all these nations recognized the amounts due.

The Russian nation which contracted the debt recognizes the amount due. But all the other nations can not complain of the Senate of the United States or of our commissioners or of this Nation when we insist upon the payment of this money. I say this without passion, certainly without animosity, without any hostile feeling, for I want to have this country be at peace with all the nations of the earth. Nor am I at this moment called upon to give my advice to those nations; but when they ask for time or if they shall hedge or seek to postpone indefinitely the payment, I shall have the right to give them my advice or tell them what I think they should do concerning their own internal domestic affairs.

I have thus dwelt upon these foreign loans, Mr. President, in order that the executive department of this Government may likewise think of this great asset which is ample in and of itself to meet every requirement of the adjusted compensation bill.

I read in this morning's paper that the premier of Great Britain said that Great Britain does not contemplate delay in the payment of the interest due, that she does not contemplate for one moment a nonpayment of the principal due. There spoke a great English statesman, who thinks of England, who dreams of England, sleepless, vigilant, ever on guard for England and for England alone. It is because England has had such statesmen from the Earl of Chatham and his gifted genius son, the younger Pitt, on down through Gladstone, Disraeli, to the great Lloyd-George—it is because England has bred great statesmen who were willing to sink the world if England might float—it is because she has bred statesmen who have thought of England first and last and all the time, that England as a Government is great and powerful on this earth.

When I hear, not in this Chamber but elsewhere, men prate of internationalism and shed their insipid tears over the sorrows of other lands, forgetting the problems of their own, I could wish that they would preach another doctrine, for, Mr. President, what this Nation needs is men, upstanding men, in legislative and executive place, who will be as faithful and as vigilant and as unsleeping in the consideration of the affairs of this Republic as the soldiers and sailors were in fighting for its flag.

I am a nationalist. I believe in this Nation. I do not forget what St. Paul said in his immortal sermon on Mars Hill. If there ever was an ambassador of God on earth, it was the eloquent Saul of Tarsus. It is very true that he said God had made of one blood all races of men, but he added, "He hath set bounds to their habitations." I have always thought that he contemplated by that sentence the division of the earth into different races of different peoples. Whether that great man so desired to be understood or not, the fact is that there are nations on this earth, and we are citizens of one of those nations, and while we do not conspire or meditate against any nation on earth, while we wish every nation happiness and peace, while we will go far toward relieving every nation on earth from hunger or sickness, while we love mankind, as a Nation and as representatives of a Nation we should think first of our own problems and seek by fair, legitimate, honorable means to advance the interests of our own country.

I have no hostility of feeling toward the classic land of France. I speak in a poor way the language which Shakespeare spoke. I remember what contributions they have made to liberty and to constitutional governments. But I want France and I want Great Britain to pay us what they justly owe. If it be necessary for them to cut down their mighty armies or to reduce their mighty navies, if it be necessary for them to practice a greater economy, let them do it. I am thinking primarily of my country, though not at all in hostility to others.

Once more, and finally to take leave of these facts, I know of no reason in the world why, with the assets of \$11,000,000,000

due us from these nations, some of which are able to pay, we can not easily, without any embarrassment, without any impairment of our credit, without any panic on Wall Street or Main Street, pay all that is called for under the pending soldiers' adjusted compensation bill. I do not claim to be a great financier. I own no bank, unless it be a bank of roses. I am not much at figuring, nor was Macaulay. But the time has come to speak a little plainly. The Secretary of the Treasury is not the law-making power of this Republic. It might be well to have that fact apprehended. Certain of his assistants are not the greatest statesmen that America has bred. That is one of the executive branches of the Government. I question the propriety of attempting to argue away facts which can not be argued away.

Respectfully, but quite unafraid, I suggest that the report of the committee accompanying the pending bill and the address of the great Senator from North Dakota [Mr. McCUMBER], made in its behalf, be given consideration by any or all Secretaries. With the same degree of respect for them as for all here or elsewhere, I once more say that they can not refute the statements made or the conclusion reached by the Senator named.

It was on November 7 of last year, Mr. President, that this matter came before the Senate by way of a proposed amendment to another bill then pending. I would gladly recall what I took the liberty of then saying, but it is to be found in the record of that day. I then said that I agreed with the statement made by the Senator from North Carolina [Mr. SIMMONS] that as of that time there was \$1,000,000,000 due us from European nations, and if I had been running this Government I would as of then, if not long before, have politely, but very, if necessary, emphatically, called upon England and other of those nations to remit the amount due, or a substantial amount on account. But as of then there was a billion dollars due us in interest and as of now, Mr. President, there is, in round figures, \$1,423,000,000 due us in interest. From Great Britain there is due us \$611,000,000; from Italy there is due us \$243,000,000; from France there is due us \$430,000,000 in interest, making a total of approximately \$1,500,000,000 from those nations. Let them pay.

Mr. HEFLIN. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. CAMERON in the chair). Does the Senator from California yield to the Senator from Alabama?

Mr. SHORTRIDGE. Certainly.

Mr. HEFLIN. That amount of money, if we could collect it now, would pay to 4,000,000 men adjusted compensation in cash of a little more than \$350 each.

Mr. SHORTRIDGE. Yes.

Mr. President, there are one or two other thoughts to which I wish to call the attention of the Senate. I listened with respect and close attention to the remarks, brief though clearly stated, by the Senator from New York [Mr. WADSWORTH], and I recall that he put the question, What, if any, good the cash payment or the other optional provisions in this bill would do the soldiers? It would do them a great deal of good in ways heretofore and by nearly every Senator clearly pointed out. The Senator from Montana [Mr. MYERS], in the course of a thoughtful and I am sure a very sincere address, spoke of the cost of the Civil War in the way of pensions. My recollection is that he said the first appropriation for pensions amounted to some \$15,000,000, and that now it was some \$315,000,000. Be it so. Does anyone begrudge that money? Does anyone think that what was achieved was not worth the sacrifice?

There is another thought, Mr. President, which I have noted and expressed again and yet again, that this was a "cheapening of patriotism"; that patriotism was not for sale and could not be purchased.

No, Mr. President. To dismiss that suggestion, there is no dishonor in our giving, if it be a gift, and there is no dishonor in accepting, even though it be a gift. If I love my son, I give to him; nor am I dishonored, nor is he; and if this Nation as the parent loves its sons and chooses to give to them, so much more the honor, so much more the glory of giver and of gift. Let us exalt patriotism by a very great national act. Let us, by showing our great love, teach our children to love, and serve, and suffer, and die for the flag, hallowed and sanctified by the blood of unnumbered dead and living soldiers, heroes who lifted and kept it where it is triumphant in the sky.

Let us not longer hesitate; let us not longer delay; let us not longer miserly consider; but let us, as becomes a great and prosperous and righteous and grateful Nation, recognize the incalculable service rendered to this Nation by its soldiers and its



sailors. Let us pass this bill, Mr. President, before to-morrow's sun shall set, and be well assured that the people of this Nation will approve our act.

Mr. President, this is not a political bill; it is not a partisan measure. I am not speaking as a Republican; but, above all party distinctions and party faith, I am standing here as an American and an American Senator. The boys of California, did they go as Republicans or as Democrats? The boys of Alabama, did they go as Democrats or Republicans? No, Mr. President, even as the mothers and the fathers, regardless of party, gave, so the boys, the young men, Americans all, patriots all, served their country as Americans; they returned as Americans; they stand as Americans, and this measure is designed to recognize and in part reward the glorious service rendered by them as Americans. Let us pass this bill as a great American measure, recognizing American valor, recognizing American heroism, and we shall have done our duty, and our country and history will applaud.

The PRESIDING OFFICER. If there is no further amendment to be proposed the bill will be reported to the Senate.

The READING CLERK. A bill to provide adjusted compensation—

Mr. LODGE. Mr. President, I desire to make a privileged motion.

#### MINING OF COAL AND OTHER MINERALS ON PUBLIC DOMAIN.

Mr. KENDRICK. Mr. President—

Mr. LODGE. I yield to the Senator from Wyoming.

Mr. KENDRICK. From the Committee on Public Lands and Surveys I report back favorably without amendment the bill (S. 3794) to amend section 35 of an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain, and I submit a report (No. 897) thereon.

I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

*Be it enacted, etc., That section 35 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, is amended to read as follows:*

"Sec. 35. That 10 per cent of all money received from sales, bonuses, royalties, and rentals under the provisions of this act, excepting those from Alaska, shall be paid into the Treasury of the United States and credited to miscellaneous receipts; for past production 70 per cent, and for future production 52½ per cent, of the amounts derived from such bonuses, royalties, and rentals shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress known as the reclamation act, approved June 17, 1902, and for past production 20 per cent, and for future production 37½ per cent, of the amounts derived from such bonuses, royalties, and rentals shall be paid by the Secretary of the Treasury after the expiration of each quarter of the fiscal year to the State within the boundaries of which the leased lands or deposits are or were located, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions as the legislature of the State may direct: *Provided*, That all moneys which may accrue to the United States under the provisions of this act from lands within the naval petroleum reserves shall be deposited in the Treasury as "Miscellaneous receipts."

Mr. KENDRICK. Mr. President, I may say briefly, in explanation of the bill, that the so-called natural resources law provides for the payment to the States in which the resources are located of 37½ per cent of the royalties, such royalties to be paid at the end of each fiscal year. The bill reported by me proposes to amend the original act so as to provide in effect that the royalties shall be paid quarterly instead of annually.

Mr. SMOOT. Was the bill reported from the Public Lands Committee this morning?

Mr. KENDRICK. I have just reported it from that committee.

Mr. SMOOT. I see no objection to the passage of the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### SALT RIVER RECLAMATION PROJECT—CONFERENCE REPORT (S. DOC. NO. 245).

Mr. McNARY submitted the following report, which was ordered to lie on the table and to be printed:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, having met, after

full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, and 4, and from its amendment to the title of the bill.

CHAS. L. McNARY,  
W. L. JONES,  
MORRIS SHEPPARD,

*Managers on the part of the Senate.*

N. J. SINNOTT,  
ADDISON T. SMITH,  
CARL HAYDEN,

*Managers on the part of the House.*

#### EXECUTIVE SESSION.

Mr. LODGE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 30 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, August 31, 1922, at 11 o'clock-a. m.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate August 30 (legislative day of August 25), 1922.*

#### PUBLIC HEALTH SERVICE.

##### TO BE SURGEONS.

Clarence H. Waring.  
George A. Wheeler.

##### TO BE ASSISTANT SURGEONS.

Guy H. Faget.  
William Y. Hollingsworth.  
Henry A. Rasmussen.

#### PROMOTIONS IN THE ARMY.

George Francis Cooper to be captain, Medical Corps.  
George Foreman Rixey to be chaplain, with the rank of captain.  
Russell Lowell Williamson to be first lieutenant, Air Service.  
John Lamont Davidson to be first lieutenant, Air Service.  
Paschal Neilson Strong, Jr., to be second lieutenant, Corps of Engineers.  
Gilbert Hayden to be second lieutenant, Signal Corps.  
Richard Wilson Johnson to be second lieutenant, Coast Artillery Corps.  
Frederick William Hein to be second lieutenant, Coast Artillery Corps.  
William Beck Goddard, 3d, to be second lieutenant, Air Service.  
Karl Hartman Gorman to be major, Air Service.  
James Edmund Parker to be first lieutenant, Air Service.

#### POSTMASTERS.

##### CALIFORNIA.

Alfred A. True, Barstow.  
Charles A. French, Brentwood.  
Martha Holway, Byron.  
Don C. Saunders, Lompoc.  
James B. Rickard, Santa Barbara.  
Wooster B. Cartmill, Tulare.

##### GEORGIA.

Herbert J. Knowles, Cuthbert.

##### MASSACHUSETTS.

Albert Holway, Bourne.

##### MINNESOTA.

Nettie Layng, Bruno.  
Bertha Finch, Butterfield.  
Jennie L. Philipps, Clear Water.  
Nels E. Nelson, Fergus Falls.  
Carl J. Johnson, Hendricks.  
William H. Wright, Montrose.  
Edwin W. Bergman, McGrath.  
Chapin A. Farnham, Rockford.  
Claire M. Peterson, Stanchfield.  
Charles Olson, Sturgeon Lake.  
Maggie N. Halgren, Wahnkon.  
Emory B. Linsley, Willow River.

##### MISSOURI.

William F. Clardy, Ethel.  
William H. Yarnall, Exeter.

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## NEBRASKA.

Minnie C. Burch, Bellwood.

## NEW YORK.

LeRoy Krom, High Falls.  
 Mildred H. Smith, Lawrence.  
 John K. Lathrop, Minnewaska.  
 Scott E. Gage, Morris.  
 Henry W. Koster, Narrowsburg.  
 Edmund E. Westerman, Pittsford.  
 Thomas L. Wright, Schoharie.  
 Fred Tears, Starlake.  
 Adolph Frees, Thornwood.

## PENNSYLVANIA.

James S. Crawford, Freeland.

## SOUTH DAKOTA.

Floyd V. Stephens, Canova.  
 Philip S. Feldmeyer, Garden City.

## VIRGINIA.

Denton T. Watthall, Alberta.  
 Abram K. Sampson, Burkeville.  
 Rankin L. Herve, Chase City.  
 Susie F. Jarratt, Jarratt.  
 Robert M. Bradshaw, Rice.

## WASHINGTON.

Adam G. Cook, McKenna.

## WYOMING.

Hedwig C. Hurtt, Sundance.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, August 30, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

Thou hast not forgotten us, our heavenly Father, and may we be prompted to gratitude, penitence, and faith. Thou dost supply us with the countless blessings that lead us to forget the pain and disappointments of life. Always encourage us in a quiet perseverance in being good, in getting good, and in doing good. Everywhere direct the citizens of our Republic, and may they know that true national prosperity and happiness spring out of nation-wide justice, cooperation, and industry. O may these virtues be given heroic pressure by the patriotic sons and daughters of our land. Give wisdom, understanding, and discretion to this assembly. Reveal and make plain unto us that nothing avails so much in our national existence as the simple verities that overflowed the teachings of the Man of Galilee. Amen.

The Journal of the proceedings of yesterday was read and approved.

## COMMITTEE RESIGNATIONS AND ELECTIONS.

The SPEAKER laid before the House the following communications:

WASHINGTON, D. C., August 29, 1922.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,  
 Washington, D. C.

DEAR MR. SPEAKER: I respectfully resign my chairmanship of the Committee on Alcoholic Liquor Traffic.

Very truly yours,

ADDISON T. SMITH.

WASHINGTON, D. C., August 29, 1922.

HON. FREDERICK H. GILLET,  
 Speaker of the House of Representatives of the United States,  
 Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Post Office and Post Roads Committee of the House, the same to take effect immediately.

Sincerely,

RICHARD E. BIRD.

MR. MONDELL. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 419.

Resolved, That ADDISON T. SMITH, Member of Congress from Idaho, be, and he is hereby, elected chairman of the Committee on Irrigation of Arid Lands, and that RICHARD E. BIRD, a Member of Congress from Kansas, be, and he is hereby, elected a member of the Committee on the Judiciary.

THE SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

## FEDERAL FUEL DISTRIBUTOR.

MR. WINSLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12472) to declare a national emergency to exist in the production, transportation, and distribution of coal and other fuel, granting additional powers to the Interstate Commerce Commission, providing for the appointment of a federal fuel distributor, providing for the declaration of car service priorities in interstate commerce during the present and any succeeding emergency, and to prevent extortion in the sale of fuel.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12472, with Mr. TOWNER in the chair.

The Clerk reported the title of the bill.

MR. RAYBURN. Mr. Chairman, I trust that no one who does me the honor to listen will gain the impression from anything that I may say that I do not realize the very serious situation with which we are now confronted. In my opinion, I am bold to assert here that I believe that at this time we stand in the most tragic hour of our country's history when it has not been engaged in war. We stand to-day in the backwash of the greatest war in our history, when hopes, aspirations, and ambitions were thwarted, and when the currents of lives were turned. We are nearly four years from the armistice, and yet we are living in the day of hysteria. We are to-day legislating with a recklessness that would only be justified by the supremest emergency that could come to any country, and that is when it is at war.

I shall not support this bill. I have, therefore, intruded myself upon your patience in order that I might state some of the reasons why. This legislation is based, its proponents say, solely upon a great emergency. They admit that if this emergency were not great they would not perhaps support the legislation. Many men appeared before the committee in the five short hours we had for hearing and testified as to this bill. Their testimony was remarkable in many ways. Some of the proponents of the bill tried in the committee to get some of the capable witnesses to agree that some part of this emergency rests upon the proposition that the Government of the United States would not have coal if the legislation were not passed, and these extreme and extraordinary powers were not granted. The expert witness whom the proponents of the bill brought before the committee was Mr. Aitchison, of the Interstate Commerce Commission. In answer to a direct question Mr. Aitchison said that every department of this Government was now supplied with coal and would be supplied with coal even though no legislation of this sort was passed. Therefore we can not base this legislation upon an emergency that the Government itself will not function if it is not passed.

I do not know what is coming next, my friends. A few days ago in committee the leaders of legislation looking in this direction asserted with some show of confidence that the resolution that we had the other day to appoint a fact-finding commission would be the only legislation that we would be called upon to enact. We had hardly enacted that bill until this legislation, conferring the most unheard-of powers upon any executive in the Government, came along. Then it was stated that an interview which was given from the steps of the White House by a distinguished member of another body was unjustified, and that nothing would come from the White House in the way of recommendation to take over and operate the coal mines and the railroads. Yet only yesterday there comes a statement purporting to be from the fountainhead, from the White House, that says that before we adjourn, with no war clouds upon the horizon, with nothing threatening the country, the President of the United States is going to ask the Congress of the United States to give him the power, if in his discretion he desires to use it, of taking over and operating coal mines and any or all of the railroads. I speak only for myself to-day. I speak as an individual Member of this House, and I want to say it matters not with me what interviews may be published in the Washington Post, which is the organ of this administration, from men who have in the past been high in the councils of the Democratic Party, who have been nominated to be its standard bearer in the past—I want to say as one member of the party, even in this moment of hysteria, in this moment when men have forgotten the doctrines of the past and the fundamentals upon which this Government was founded, I do not expect to be swept off my feet even at their suggestion and pushed into a mass of socialistic legislation which I believe will destroy this representative Government in the future. [Applause.]



This measure gives the widest powers, I assert without fear of successful contradiction, to any commission or executive ever proposed by any enactment of Congress during peace times in the history of this Republic. I know that people need coal. I know that the trouble with us now is that the mines have not been in operation, that there is not a sufficient amount of coal. Will this bill produce one pound of coal? No man who advocates it has said that he even dreams that it will, but I make the assertion here that instead of being a measure captioned to supply coal to the people of the United States it would better caption a measure to restrict the production and supply of coal in the United States. [Applause.]

Under the provisions of the bill there is not a line that will encourage the production of coal, but every line in the measure from beginning to end is one to discourage the production of coal. You put it within the power of the Interstate Commerce Commission it is said, but it is not within the power of the Interstate Commerce Commission at all. You are putting this power into the hands of this one man whom you are going to call a Federal fuel distributor, because he is the man who is going to find the facts. This is the man that is going to recommend to the Interstate Commerce Commission what to do. The Interstate Commerce Commission is a body that has on its shoulders more work than it can efficiently look after today. Therefore the proposition to turn over the distribution of coal to the Interstate Commerce Commission is a misnomer. You are turning it over to one man called the Federal distributor.

What power do you give this man in this bill? You give the power to this man, not to open a mine, but you give the absolute power to this man to close a mine and stop production. Why do I say that? The extraordinary power is granted in this bill of saying to a coal producer, "If you do not do everything that this coal distributor says you ought to do he can deny you the instrumentalities of interstate commerce and transportation. You can not get a train nor a car to ship your coal."

Who is going to pay for digging the coal out of his mine and then leave it, being unable to dispose of it? This bill which its authors say is to prevent extortion and prevent profiteering, as has been well said by those who have gone before me, can mean one thing and one thing only, and that is the fixing of prices. This bill goes further and it absolutely abrogates the right of contract between individuals. There can be no question about that. Why should we in this country in peace time go upon a campaign of general price fixing? I want to say this: I never have in peace time, I never expect in peace time, to give to any department of this Government the power of fixing the price of anything that is produced in this country. [Applause.]

I want to say to some of you gentlemen from the West who are swept off your feet by some political condition in your State, where the Non-Partisan League and other leagues are rife and run rampant, advocating measures never dreamed of in the disordered mind of the wildest socialist, that when you start upon this campaign in peace time of fixing the price, when the eaters from New England, New York, Pennsylvania, and the great consuming sections of the country come here and say that there is a short wheat crop in the West, or a short corn crop in the West, and that the price is mounting beyond the reach of the consumer, these gentlemen who live in these great consuming centers and who have the votes to put it through will start to reduce the price of your wheat, and by this vote you close your mouths on that occasion. You should not be heard to grumble. Why, in war time you had the hardest time of your life to save your skin politically because the Government fixed the price of wheat at \$2 a bushel, which was at that time an unheard-of price, and you believed, and your constituents believed, that if the price had not been fixed they would have got \$3.50 a bushel. When the cotton farmers in my section, as they have tried to do in the past, limit the acreage in order that the supply may not exceed the demand, if with that limited acreage they have a short crop people who manufacture and people who wear cotton goods may come and say that the people are going to freeze if they are not clothed, and cotton has been the cheapest material with which they can clothe themselves in the past—if they come and say to me we are going to fix the price of cotton, I am not going to have my mouth closed to protest against that theory of the Government and such an enactment as that by voting for such legislation in peace time.

If this legislation is not bottomed on the commerce clause of the Constitution, it can not be enacted legally at all. We have a school of politics in this country growing up—and it is alarming the growth it has had—of people who believe and assert

that the welfare clause of the Constitution is a grant of power. No lawyer in this country who values his reputation as such has ever asserted in peace that the welfare clause of the Constitution is a general grant of power. But to show you how far the people have gone who want no constitutional restriction placed on them, but who want to enact a law in peace and war time, I want to say that the main sponsor of this bill was before the committee. That is Mr. Aitchison, of the Interstate Commerce Commission. The question was directly put to him, if this legislation could not be bottomed on the commerce clause of the Constitution or any other clause of the Constitution, would it be possible to base it on the welfare clause only, and his answer was yes. I want to say this to you, and it is not original with me—my colleague [Mr. JONES of Texas] made this assertion in my presence—that if you grant that under the welfare clause of the Constitution you can do anything; under the welfare clause of the Constitution you can do everything. Therefore every other provision of the Constitution might well be wiped from the books.

Why, there is a school in this country, and its leader, I think, is a man high in the councils of the party now in power and one of the sponsors of this bill, one of the men who helped to write this bill, who believes, in my opinion—and I would not do him an injustice—who, in my opinion, believes that there should be a controller for the United States in all the business of the United States; that we should have some man in Washington vested with the power, regardless of the courts or of the legislature, to tell business from one end of this country to the other what it should and what it should not do.

Price fixing! Who favors price fixing when it touches him? Does the boot and shoe manufacturer favor price fixing when the price he is getting is satisfactory? Does my friend from Texas [Mr. HUDSPETH] favor price fixing for wool and sheep and cattle when the price he is getting is satisfactory to him? Does the grower of grain believe in price fixing when it touches him? They brought a representative of the American Federation of Labor—Edgar Wallace—up before the committee to justify and to stand for this bill.

And yet the gentleman from Massachusetts [Mr. WINSLOW], and the gentleman from Minnesota [Mr. NEWTON], and those who stand with him, say and admit that this is a price-fixing bill; that if it does not do that it does nothing. And yet Mr. Edgar Wallace said that he believed in distributing coal where it was needed. He would like to see every proposition of price fixing at the mines, or anywhere else, stricken from the bill. You are not pleasing the men who represent the American Federation of Labor by passing this bill. What did he say about governmental price fixing? He said the two industries in this country that we have had trouble with since the war are the railroads and the coal mines, and he said that the reason for the trouble in the coal mines and in the railroads was because the Government tampered with the prices and wages during the war. He said that for 30 years there had never been a strike upon the railroads of the country prior to the war that endangered the transportation system of the country; that there had not been a strike in the coal mines previous to the war that endangered the supply of coal to the people of the United States. The head of this administration and his spokesmen—

Mr. ROSSDALE. Does that apply to the time when President Roosevelt threatened to seize the coal supply of the country?

Mr. RAYBURN. I am speaking of the testimony of these witnesses who came as representatives of all the workers of the country and who made the statement. I know nothing about Mr. Roosevelt's controversy with the miners.

I started to say that the head of this administration has been held up to the country as a broad-visioned and conservative man, a man who, if he came into power, with his party in both branches of the legislature, would put a stop to what his advocates said was socialistic legislation growing out of the war; that they would take government out of business, and put business in government.

There are a great many advocates of Government ownership of mines and railroads in this country, and practically every man who works for a railroad or who works in a mine believes the Government of the United States should own both. Now, this administration through its head comes along and says that if we do not have peace in the coal mines and upon the railroads of the country we will take them over. What does that mean? That is Government operation. We had a hard enough time getting rid of the railroads when we took them over as a war-time measure. I fear that if we take them again we will never get them out of the hands of the Government.



Mr. MCKENZIE. Will the gentleman yield?

Mr. RAYBURN. In a moment.

The President of the United States and those who speak for him ought to know that if they hold before the people who believe in Government ownership and control of railroads and coal mines the proposition that they will take them over and have Government control and operation and ownership unless there is peace in those industries, that they will not have peace in those industries as long as they hold that dangling before them. [Applause.] I want to say that if the President of the United States were as much of an advocate of Government ownership of all industry—railroads and coal mines, and other industries—as the wildest socialist in this land, he could not better advance his theory of getting these institutions into the hands of the Government than by saying that if they do not have peace we will take them into the hands of the Government.

Mr. MCKENZIE. I simply desire to ask the gentleman from Texas if it is his contention that we now have on the statute books sufficient law to enable the President of the United States and the departments of justice in the United States and in the various States to operate the railroads and the mines without taking them over and undertake to operate them by Government operation? Have we not the law now?

Mr. RAYBURN. I do not know; but I tell you what I would do. I am going to be very candid in what I say. If I was responsible for this Government, I would try to get these people together; I would try to bring about an adjustment of their differences. I want to say this: Instead of the soft words used by the President of the United States with reference to this situation from that stand a few days ago, I would say that I wanted peace in industry, and I would do everything in my power to get it; but, believing as I do that there are enough men idle in this country to-day to bring the equipment of the railroads up to something like normal, if they were not afraid to work, I would assert as the representative of the American people through the high office of President that I would not allow the right of any man to work to be interfered with, and that if men wanted to go into these shops to repair these trains I would protect them in the right to work if it took every man in the standing Army of the United States. [Applause.] This is an hour when we ought to be candid, when we ought to be honest; I believe that the fundamentals of our Government are imperiled. I believe, and I state it here, as I have stated it elsewhere, that the 90 per cent of the people of this country who are unorganized, who have the best interests of the Government at heart, should control this Government instead of the organized special interests composing the other 10 per cent controlling it. I want to say this: Unless that part of business that has some regard for public opinion comes forward and takes charge of that end of the business and pushes from the stage the public-be-damned group, and unless those men who are conservative and patriotic in labor come forward and push away the radicals that have taken charge of the labor organizations of the country, we are never going to have peace in industry. You talk about strike legislation. You can not even get it out of the committee of this House, much less through this House. So it is idle to talk about antistrike legislation. You will not vote for it, and you know it.

The gentleman from Wyoming [Mr. MONDELL] did a rather remarkable thing yesterday. He supported this bill, conferring these extraordinary and continuing powers upon the President of the United States. You know he is not the only President of the United States we are going to have. This is permanent legislation. You gentlemen have every faith and every confidence in Mr. Harding, while you know that he is not going to be President after the 4th of March, 1925. There is going to be somebody else in the White House after then. But you are granting these extraordinary powers to the Executive, it matters not who he may be. But the gentleman from Wyoming printed in the Record the statement of Mr. Edgar Wallace. He said he did not agree with him in all things, but in the most he did agree with him. And Mr. Wallace said he wanted the main part of this bill taken out of it.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield there?

Mr. RAYBURN. I do.

Mr. NEWTON of Minnesota. The gentleman has, I think, a better opinion of what Mr. Wallace said than what I have.

Mr. RAYBURN. Well, in order that we may not have any disagreement about this, I will read what he says. I have plenty of time, and I am going to take all my time. Here is what Mr. Wallace says, right here on page 9 of the record:

I want to say this, that I am not in favor of any fixation of prices at the mines or anywhere else.

Is that plain? I asked Mr. Wallace a question over here:

Mr. RAYBURN. I understood you to say that you were against the general policy of Government price fixing?

Mr. WALLACE. Yes, sir.

Mr. NEWTON of Minnesota. But, Mr. Chairman—

Mr. RAYBURN. Wait a moment. I read:

Mr. RAYBURN. Do you think this bill ought to be amended and that the provision giving the coal distributor the power to fix prices should be eliminated?

Mr. WALLACE. Yes, sir.

If I can not interpret what Mr. Wallace says, I have not sense enough to read the English language. I read further:

The CHAIRMAN. Will you have the committee to understand that you favor the general purposes of the bill?

Mr. WALLACE. I favor the general principles of the bill, but am opposed to any price fixing.

Mr. RAYBURN. The general principle is that of price fixing, is it not?

Mr. WALLACE. I can not say that it is. I think it is a matter of coal distribution, to see to it that the coal is distributed at the places of the buyers.

That is, to prevent extortion. What do you say that means? The fixing of prices. That is what it means.

Mr. NEWTON of Minnesota. If a very extortionate price is fixed at the mines, that mine shall not have cars to ship out.

Mr. RAYBURN. Every man who appeared before the committee as a representative of the presidential committee said, "We want this extraordinary power conferred so that we can say to a man, 'If you do not sell your coal at a price that we think is fair, we will put you out of business by not giving you any cars to ship coal in.'" That is what every man, including Mr. Hoover and Mr. Aitchison both, said was the purpose of this bill. Of course, Mr. Wallace did not understand this bill when he came up there. He thought it was to regulate somebody else, not to regulate him or the people for whom he spoke.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. In just a moment. Mr. Wallace knows that if we go on a general campaign of price fixing in this country, we are going to fix wages, too, and every other element of cost that enters into it, and he does not want that. I do not blame him. I do not want the Government of the United States to fix the price of anything I produce.

Now I yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. Has the gentleman any explanation of the extortionate price of \$22.50 a ton for anthracite coal in the western part of my district, 100 miles from Chicago, a year and a half ago?

Mr. RAYBURN. It does not make any difference about that. There is nothing in this bill to prevent that this year, if it becomes a law within 36 hours.

Mr. COOPER of Wisconsin. Does the gentleman think the fault is with the retail dealer or with the operator at the mines or with somebody between the operator and the retail dealer?

Mr. RAYBURN. I do not know that I think about it, because I do not know the price at either place except the price that the gentleman states the retailer charges. I do not know what the retail price at the mine was, what they paid to the miner, what the transportation charge was, how many hands it passed through. But there is nothing in this bill to prevent the retailer in the gentleman's town from charging \$42 a ton for coal this fall.

Mr. COOPER of Wisconsin. But can not the Government of the United States by law regulate or destroy a combination which so controls interstate traffic in coal between the operator at the mines and the retail dealer as to result in extortionate price to consumers?

Mr. RAYBURN. If you have a representative of the Department of Justice in your State, and will present the facts to him, he can attend to it. For 32 years a law against conspiracy to restrain commerce has been upon the statute books.

Mr. COOPER of Wisconsin. It would not affect the present situation at all.

Mr. RAYBURN. This bill will not. That is certain.

Mr. COOPER of Wisconsin. Do you want the people to freeze before they get the coal?

Mr. RAYBURN. Oh, Mr. Chairman, I am not arguing this question through tears. I am trying to state the fundamentals. This is no place for tears. This is a place for the Representatives of the American people, unafraid, to use what cold judgment they have. [Applause.]

Mr. COOPER of Wisconsin. But, Mr. Chairman, does the gentleman think—

Mr. RAYBURN. No; I do not think anybody ought to profiteer, if that is what you would ask me.



Mr. COOPER of Wisconsin. Has the Government of the United States no authority to prevent profiteering between the mines and the retail dealers?

Mr. RAYBURN. This bill does not do it.

Mr. COOPER of Wisconsin. Would the gentleman vote for an amendment to this bill so as to stop that sort of profiteering?

Mr. RAYBURN. What you want to do—

Mr. COOPER of Wisconsin. I have not said what I want to do—

Mr. RAYBURN (continuing). Is to go to the legislature of the great, progressive State of Wisconsin and secure legislation upon the retail price of coal. Let us destroy this idea every time something gets wrong in industry of coming to the Government of the United States for redress. [Applause.]

I do not know when this Congress, acting under the coercion of the President of the United States, will vote to give the President the power to take over the railroads of the country.

Mr. COOPER of Wisconsin. It might be proper for me to suggest to the gentleman, in view of what the gentleman has just said, that while tears will not decide this, neither will vociferation. I asked the gentleman a question. I asked him whether the Government of the United States is remediless at this time and can do nothing to stop extortion now going on between the operators at the mine and the retail dealers in the respective communities, and the gentleman talked about tears. He deliberately evaded the question, and got applause because he did evade it.

Mr. RAYBURN. Even though the gentleman from Wisconsin may look angry, I never think he is. When he asks me a question I am going to answer it in my own way, because the time is mine, and I think I answered his question sufficiently. We are not talking about what ought to be done by the State of Wisconsin. We are talking about the proposition in this bill; and granting that all the powers that you seek to confer in this bill can be conferred, it will not have anything to do with the proposition of controlling the retail price of coal in Wisconsin.

Mr. ROBSION. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Kentucky.

Mr. ROBSION. Is it not true that the operator deals with only a very small percentage of the American public, and that the general public in getting coal must deal with the retailers?

Mr. RAYBURN. Why, of course. Everybody knows that. It is no longer a question of the production of coal, although it was a question a few days ago. There is going to be plenty of coal. The thing that is wrong is with transportation. Transportation has broken down, and the remedy proposed by the administration is to give the President the power to take over the railroads and operate them; but the President, in order to get his scheme through, says, "I have no idea that I will feel called upon to put this into effect." Gentlemen, this question goes much deeper than many of you seem to think. In my opinion this legislation strikes deeper, at the very foundations of the Government that we all love, at the Constitution that we all swore to uphold, deeper than any legislation that has ever been proposed in this Government in time of peace. I was very much surprised at the argument made by my able friend from Texas [Mr. HARDY] yesterday. My conception has always been that under all wise construction if a legislator doubted the legality of a bill he should vote against it. My colleague said that doubting the constitutionality of the measure he was going to vote to write it on the statute books. During the war I voted for a great many things that I thought were of doubtful propriety, even during the war; but I did not vote for a single thing that I had a reasonable doubt was against the Constitution of the United States; and certainly in time of peace it is time to call a halt on such legislation as that.

Mr. MOORE of Virginia. May I interrupt the gentleman?

Mr. RAYBURN. I yield to the gentleman from Virginia.

Mr. MOORE of Virginia. I agree with the gentleman that except in so far as the anthracite conditions are concerned the main trouble now relates to the crippling of transportation. Does the gentleman know that while bituminous production is now advancing quite rapidly there is almost an absolute cessation of anthracite production?

Mr. RAYBURN. Yes.

Mr. MOORE of Virginia. I say I agree with the gentleman that, leaving out of view the anthracite conditions, the main difficulty is because transportation facilities are crippled and transportation is impeded. Can the gentleman explain why the President of the United States has failed to exercise the very full power which, as I understand, is vested in him to protect interstate transportation? It seems there is a statute now in force which authorizes the President even to go to the

point of employing the armed forces of the United States to guard the movement of trains, the movement of any cars, to take care of all the instrumentalities of commerce, and to insure as far as possible the safety of the people who are employed or who desire to be employed in conducting interstate commerce. Now, why has the President failed to exercise that power?

Mr. RAYBURN. I can not answer. I stated a while ago that if it was my responsibility I would make the statement, and I would make it good, that I would see that every man in this country who wanted work was protected, if it took every man in the standing Army of the United States to do it. That is my view.

Mr. KINDRED. Will the gentleman yield to me here?

Mr. RAYBURN. Yes.

Mr. KINDRED. The gentleman has stated that it is admitted that there is going to be plenty of coal. Does the gentleman mean to modify that statement by making an exception with regard to anthracite coal, and is the admission justified under the facts and circumstances at the present moment with reference to anthracite coal?

Mr. RAYBURN. The gentleman is correct, but this bill will not get any anthracite coal. It will simply fix upon this Government a policy that will come up to plague you and me in the future.

Mr. KINDRED. Respecting the gentleman's opinion as I do, I will ask him to state what he would do with reference to legislation that would produce coal and prevent suffering and disease among the people in the event that there is no peace between the United Mine Workers and the operators with respect to the production of anthracite coal?

Mr. RAYBURN. I do not know how you are going to cure a situation where men do not want to work for the wages they are offered and the men who offer them work will not pay the wages that they ask.

Mr. KINDRED. The whole solution of this serious question depends upon the production of coal, does it not?

Mr. WINGO. And this legislation will not produce coal.

Mr. RAYBURN. This legislation will not produce another pound of coal.

Mr. KINDRED. I ask the gentleman what legislation he would suggest that would produce coal?

Mr. RAYBURN. This kind of socialistic legislation that is being advocated around here, which proposes that the Government take over everything, has got me to the point during the past few days where I have spent about all my time trying to tell somebody why this kind of thing ought not to be done. What ought to be done is not my responsibility, when an overwhelming majority of Congress is on the other side of the House and that majority have the privilege of enacting legislation.

Mr. KINDRED. Does the gentleman say that in no emergency of this kind would the Government be justified in taking over the mines?

Mr. RAYBURN. I do not say that. I say that there may come a sufficient emergency—I can not conceive of it, but there may come a sufficient emergency—so that the Government of the United States should and would take over the mines; but this thing does not do that. That would be for the purpose of producing coal. This does not produce any coal.

Mr. KINDRED. Is not this in line with that?

Mr. RAYBURN. This is a price-fixing measure.

Mr. KINDRED. Is not this measure in line with that, looking in that direction?

Mr. RAYBURN. I think that is where we will get if this administration keeps going on.

Mr. SNELL. Will the gentleman state what kind of an emergency would have to exist before he would think the mines should be taken over?

Mr. HARDY of Texas. I would like to state my position, which I do not think the gentleman has correctly stated.

Mr. RAYBURN. I want to be entirely fair to my colleague. I read his remarks this morning and I thought I correctly stated them.

Mr. HARDY of Texas. I would like to state exactly what I think about it.

Mr. RAYBURN. I have only three minutes remaining.

Mr. HARDY of Texas. The views I expressed yesterday were the views I have expressed more than once heretofore. The gentleman from Virginia [Judge TUCKER] delivered a few days ago an able speech, seemingly urging that a Member of Congress should be convinced beyond a reasonable doubt that a measure was constitutional before he could vote for it, but I differ from that. In my judgment there are hundreds of questions that come before Congress that the average Member



of Congress can not study the constitutionality of down to absolute certainty. I do not believe that every time a man gets up and makes an argument as to the constitutionality of a provision that it is my duty, unless I am thoroughly convinced that he is wrong, to turn the measure away if it is vital. I think where it is gravely doubtful we ought not to vote for a measure, but unless we are gravely doubtful I think we ought to vote for it if it is of vital or even of great importance.

When, before the constitutional amendment expressly authorizing an income tax was adopted, Congress passed an income tax law there were able arguments made in the House and Senate against its constitutionality. The Supreme Court, I believe, first held it constitutional, but upon a rehearing Justice Shiras changed his first opinion and concluded it was unconstitutional. The change of opinion on Judge Shiras's part changed the majority of the court from a majority sustaining to a majority denying the constitutionality of that law. It is inconceivable to me that many of the Members of Congress who voted for that law did not have some doubt as to its constitutionality, and yet I think they voted as they ought to have voted if they reached the honest opinion, with the lights before them, that the law was constitutional and believed it a just and beneficent law. Frankly, I think any other rule for their guidance would have prevented the passage of nearly every law where the question of its constitutionality has been seriously raised. So I have adopted the rule for my guidance, that where in my judgment a measure was constitutional, even though I might have some doubt, I was at liberty to vote for it. I believe that to be the only practical rule a Congressman can act on.

Mr. RAYBURN. That is not my position. I do not think that any legislator in this land should ever vote for a measure about which he has reasonable doubt of the constitutionality. That is what I stated.

Now, in the moment I have to close I want to say that I look upon the situation confronting us now as the most serious in our country's history, except when embroiled in war. I hope the membership of this House will not be swept off its feet and destroy the fundamentals of this Government by passing a maze of legislation in an hour like this which will come back to plague us, legislation that is against everything that the framers of the immortal instrument intended and those who have followed in their footsteps who believe in the future of this Republic. I believe this Republic will endure. I pray that it may, and I know that it is the most perfect Government ever instituted by man or wrought in the blood of heroes. But if after a while I should look to the east and I should see a cloud of dissension rising, if I should see across the bosom of that cloud the forked tongue of lightning of revolution play, and the giant trunk of this mighty State should be shattered by the earthquake shocks of war, as I stand amidst these magnificent ruins with bowed head and a heavy heart I hope I may be able to say with a clear conscience I never by any vote or any act or any word of mine contributed to bringing about that eclipsing tragedy of the ages. [Applause.]

Mr. BARKLEY. Mr. Chairman and gentlemen of the committee, I recognize the strong temptation to indulge in partisan discussion here to-day, and I also recognize the strong temptation to cast partisan votes on a proposition like this which is advanced by those who are supposed to speak for an administration not in harmony with the views of many of us. I recognize the temptation to indulge in criticism of the administration now in power on account of what it may have done or may not have done in connection with this unfortunate situation which has overtaken the country, resulting in the necessity for the consideration of this legislation.

But I take it for granted that the vast majority of the Members of this House and the overwhelming majority of the people of the United States do not desire their Representatives here to consider this question from the standpoint of partisanship, or to waste their time indulging in criticism of any act or omission of which the administration may be guilty; but recognizing the emergency in which we now find ourselves desire that we shall exert whatever influence we may have, whatever judgment we may possess, in the solution of that problem for the welfare of the people of these United States. [Applause.] It is in that spirit I hope to discuss the bill now under consideration.

Now, let us see what the situation really is. I see no occasion for hysteria either among those who are in favor of the legislation or those who are against it. I fear the majority of the hysteria which has been displayed here has been on the part of those who oppose the legislation. They seem to be in a hysterical mood for fear we may enact legislation by which the great fundamental principles upon which our Government was founded are going to crumble over night and that we will find

ourselves in a maze of confusion and anarchy. I do not share those fears.

On the 1st day of April there was a coal strike called in the United States. We need not stop to consider the merits of that strike. We are not called upon to solve the question of who was responsible for the strike and I do not propose to take up any of my time discussing that subject. As a result of that strike the anthracite mines of the United States have been closed and a large part of the bituminous mines have been closed. By reason of that strike in the anthracite fields more than 35,000,000 tons of anthracite coal remain in the ground which would have been mined if the strike had not occurred. The testimony before our committee is that undoubtedly that 35,000,000 tons of anthracite coal can not be recovered, it is lost. If the mines were to be opened to-morrow the increase in the output could never recover the 35,000,000 which has remained unmined during the continuation of the strike. In other words, the anthracite production can not catch up.

A few days ago the bituminous coal strike was settled to the extent that practically all of the bituminous mines have resumed operations, but on account of the strike of the bituminous fields there has been a slackening in the production of coal which added to the 35,000,000 tons lost on account of the anthracite strike makes it imperative that there should be mined and distributed in the next four or five months in the United States something like thirteen or fourteen million tons a week in order that the country may catch up in its coal supply and resume a condition of normalcy.

Let us assume that the anthracite mines are not reopened. We all hope that the anthracite strike will be settled in a very few days and that they will resume operations, but let us assume that they will not reopen. That means that there is practically no anthracite coal now in existence outside of the mines. Then those 35,000,000 tons must be made up by some form of substitute and the only practical substitute for the use of anthracite coal is bituminous coal, except such small quantities of coke and wood or other material as may be substituted here and there. It is perfectly obvious that if the United States must produce within the next five months an average of 13,000,000 tons of bituminous coal a week, and there is transportation at the very highest for only about 10,000,000 tons of bituminous coal per week, that means that the mines can produce 3,000,000 tons per week more than the railroads can transport. Then without some form of regulation, without some agency being set up to bring about equitable distribution of all the coal that the railroads can transport, somebody in the United States is going to be cold for lack of sufficient coal while others will have more coal than they need or more than their share or proportion of it which can be transported by the railroads.

Mr. Chairman, I am not going to discuss the question of human nature involved in this whole situation. We all know that when there is a scarcity of coal the price of coal mounts, just as the price of other commodities does when there is a scarcity of anything else. When there is a scarcity of transportation the same will apply to a certain extent, and to the extent to which there is no regulatory powers to distribute the available facilities of transportation for the necessities of life. The Interstate Commerce Commission has certain powers under the transportation act with reference to car service. Under the act to regulate commerce, as amended by the transportation act, the Interstate Commerce Commission has the power to provide for distribution of cars in so far as it affects the question of car service itself, and the commission is of the opinion that it has no power to go beyond that.

I think it is perfectly true to state, as has been asserted here, that all of the devilment which has been done in the country is not chargeable to the coal operators. There are certain sections of this country where, during the strike, and I suppose even at this time, coal speculators, men who desire to buy coal at any price they feel able or compelled to pay, have camped at the doors of the mines, and the result has been that the coal has been almost auctioned off to the highest bidder. The result of that has been that public utility corporations, municipal corporations, and other forms of industry have been compelled to pay as high as \$10 and \$12 and \$15 a ton for coal at the mine in order to obtain the necessary amount to carry on their operations.

The coal operators, of course, are affected by the same human nature which affects all of us. In the very nature of things, if there is a shortage of coal, and men are clamoring for coal and are willing to pay a higher price for it, it would be contrary to all of the dictates of human nature for the coal operators to refuse to sell the coal to the highest bidder; but such a course may result in very great hardship to those



who are unable to pay those fictitious prices. The Interstate Commerce Commission takes the position, notwithstanding two or three members of it take a contrary view, that under the present law they have no power to issue embargoes in such a way as to provide that certain industries, certain communities, certain interests, shall be restricted in their power to obtain coal from the operators, in order that other sections of the country, or other industries or other communities may have a fair portion of the coal that the railroads are able to carry. We are confronted now with this situation.

The coal mines of the United States if they were put to the highest point of production might be able by straining every nerve and fiber to mine about 13,000,000 tons of coal per week, although the peak of their production in 1920 was when they were able to produce 13,000,000 tons per week and when the railroads were able to haul about 11,000,000 tons per week. In order that the Interstate Commerce Commission may have the power to distribute coal all over the United States, so that these 10,000,000 tons of coal which they are able to haul every week may be equitably distributed among the householders, among the municipal heating and lighting plants, among the industries of the United States, the power conferred in this bill is thought necessary by the commission, and, in my opinion, it ought to be granted.

We have heard a lot of talk about the constitutionality of this bill and about the power of Congress to fix the prices. I agree in the main with those gentlemen who regret any embarkation by the Government of the United States upon the matter of price fixing. Of course this bill does not fix prices. It is not a price-fixing bill, but we may assume that if the law is enacted and becomes effective the Interstate Commerce Commission will have the power to say to any coal operator who may be taking advantage of the situation to receive an enormous price, an exorbitant price, for coal that he shall not have the same advantages in transportation facilities as the coal operator receiving only a fair and reasonable price for the coal which he produces. [Applause.] That may indirectly be price fixing, although I think it is not absolutely true that it is price fixing. The Interstate Commerce Commission under this law has no power to fix the price of coal or to say what a coal operator may contract to sell his coal for to an individual, a dealer, or an industry of any sort. The fuel distributor who is created by this bill has no power to say to the coal operators that they shall charge a certain price for coal.

All the bill does is to give him the power to find out the facts, to find out what is being charged, and then to set up a standard of what he believes would be reasonable prices, submit those prices to the Interstate Commerce Commission, make his recommendation, which may be adopted or set aside entirely by the commission, and then the commission, basing its action on those facts which have been gathered by the coal distributor or upon any other facts they have in their possession, may say to those who are profiteering in coal, who are charging an exorbitant price for coal, "You are taking advantage of the public, you are taking advantage of the shortage of transportation, you are taking advantage of a great emergency to charge a higher price than the people of the United States ought to pay, and by reason of that conduct on your part we shall issue an order that you are not to have the same facilities of transportation for taking advantage of the people in an emergency, and we will give to those who are dealing fairly with the public a larger proportion of the transportation facilities in order that they may have them to serve the people of the United States."

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. McKENZIE. It has been charged that this is a bill which will curtail the distribution of coal. Is it not a fact, as the gentleman has stated, that if there are 13,000,000 tons of coal mined weekly and only 10,000,000 tons can be distributed by the railroads, therefore, there will be a surplus of coal?

Mr. BARKLEY. Yes. There is not a syllable, not a sentence of power conferred in this bill that would tend in the remotest degree to curtail the production of coal. On the other hand, it will stimulate production at some points where otherwise there might be curtailment by reason of an inequitable or unfair distribution of transportation facilities.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. BURTNESS. Most of the discussion of this bill has concerned itself with what it will do or not do to the coal operator. If I read the bill correctly, does it not reach also the distributors of coal in addition to the operators? Take, for instance, the people who may buy and store coal at the docks of Duluth and Superior, and sell the coal in interstate

commerce to North Dakota or Montana. Is it not also intended to reach the distribution of coal of that sort?

Mr. BARKLEY. Oh, yes. Of course the bill is not limited to operation on the coal operators. And, as I said a while ago, the greatest amount of the devilment that has been done in the coal business has not been chargeable to the coal operators. There have been a lot of speculators who have hung around the doors of coal mines willing to pay any price they asked for it, and, of course, the coal operators sold it to them, and in the nature of things did like anybody else who had something to sell, and a shortage caused the price to go up. This bill will deal with the speculator so far as he is engaged in interstate commerce just as much as it will with the coal operator, and in all probability will do more to curb the speculator than the operator.

It has been seriously argued here, and before the committee, that the fixing of the prices of coal at the mine is an intrastate transaction, over which Congress has no control. I do not agree with that interpretation, but if the United States Supreme Court should hold that the mere fixing of the price of coal at the mine is an intrastate matter over which Congress has no control, of course that would not mean that the man who buys the coal at the mine, to be shipped in interstate commerce, could not be reached by the provisions of this bill, and that against him an embargo might not be issued. The Interstate Commerce Commission would compel him to bring his price within a reasonable figure in order to enjoy the privileges of interstate commerce.

Mr. KINCHELOE. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. KINCHELOE. I wish to ask a question with reference to these coal brokers. The gentleman says that this bill in some instances will reach them. When a coal broker from Chicago comes to the western Kentucky coal fields and buys coal at a certain price to be delivered in his yards in Chicago, of course that goes into interstate commerce until it gets to his yard, and not a pound sold by him until it gets there. Would he not have a right, except that the laws of the State of Illinois would reach him, to sell at any price he chooses to the consumers there, and you could not reach him under that state of facts?

Mr. BARKLEY. That is probably true. It is hard to determine how far Congress can control an article in interstate commerce and control the distribution of it after it reaches the State. I think this is a fair inference: If Congress has the power to fix the price of coal at the mine, which is to go into interstate commerce, and it does not become a part of the interstate commerce until it begins to move, then it is fair to infer after it is moved Congress has the same power to follow it after it has gone into interstate commerce that it might have to regulate it before it begins to move in interstate commerce. But that is a proposition I lay down with great diffidence and some fear, because it is a mere logical sequence of the power which some believe Congress has to subject it to regulation before it enters into interstate commerce. It is a mere analogy that we might follow still further. But, even if that is true, if it is true that Congress has no power to follow this coal after it has gone into interstate commerce and gone into the hands of the local dealers and is being sold to the consumers, of course the only remedy there is for the State to take action and control it.

Mr. CLARKE of New York. Is not that situation squarely met by the recommendation of the Governor of the State of New York?

Mr. BARKLEY. I have not read his recommendation, but I think in a general way it could be controlled by State action.

Let us see whether this bill is constitutional. I assume there is an emergency. Congress has the power to determine whether there is an emergency, and the United States Supreme Court has so held in a number of cases. It is not a judicial question to be determined as to whether there is an emergency or not; it is a legislative question. Congress having declared in many laws that have been passed by the Congress that an emergency existed, the Supreme Court has said that the question of whether that is true is a legislative and not a judicial one and that Congress has the power to go just as far as it sees fit in legislating to deal with the emergency, so long as it does not transgress the obvious and evident limitations of the Constitution of the United States.

Mr. SANDERS of Indiana. Is the gentleman of the opinion that under that power the Congress of the United States can pass a law which would forbid the shipment of any commodity which is necessary if the commission thinks the price charged is too high?



Mr. BARKLEY. I would not go so far as to say that I believe that under the commerce clause Congress could prevent the shipment of anything in interstate commerce that some commission might think was too high in price.

I take it for granted that the Supreme Court will say with reference to the coal industry at least what it says with reference to the packers. In that decision, rendered only a few weeks or months ago, the Supreme Court made use of this language. The opinion is not in print, except in the advance sheets. I desire to call attention to this language in the syllabus in the case of *Stafford et al. against Wallace*, Secretary of Agriculture, et al.:

Knowledge of the conditions under which Congress acted aided the court in determining the effect and scope of the act in order to determine its validity. The business of the various live-stock yards of the country is affected with a public interest so as to subject it to legislative regulation.

In a further syllabus the court says:

The various stockyards of the country, in receiving by rail live stock from the ranges and farms of the West, and in shipping by rail to consumers in the East, are an interstate commerce agency. The business done in the various stockyards of the country by commission men and live-stock dealers and shipment therefrom to consumers in the East is a part of interstate commerce or so associated with it as to bring it within the power of Federal regulation.

It seems to me if the Supreme Court will hold that a commission merchant in the stockyards in any city in the United States is an agency of interstate commerce to the extent that he can be regulated by Federal legislation, it is not to be conceived that the great coal industry of the United States, which is one of the prime necessities of life, whose ramifications are much more numerous than those of the packing industry—it is inconceivable that the Supreme Court would not hold that the coal industry is affected with a public interest and, being affected with public interest, is subject to regulation in a way we are attempting to provide in this bill, namely, that the Interstate Commerce Commission shall be given the power to regulate the distribution of coal cars so as to allow the people to receive a fair proportion of the coal that is produced out of the ground, so that some may not freeze, while others are able, by reason of more money or comfortable circumstances, to enjoy a larger proportion than would be their share according to the amount of coal produced and transported.

Mr. BLAND of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes; I yield to the gentleman.

Mr. BLAND of Indiana. The gentleman will realize that in the meat packers' case the only reason why recognition would be permitted would be on account of the injurious and poisonous character of the meat and not the price of it, whereas here the gentleman seeks to regulate the price of coal, whether it is good or bad, and not because the coal itself would be injurious to the public.

Mr. BARKLEY. No; because in the case of the packers' act the court did not pass upon the question of the injurious quality of the food that the packers might produce. The packers' bill was based upon the proposition that the packers, by reason of the control which they had been able to obtain over the distribution of food, not only affected its quality but materially affected its price, and while the question of price was an indirect question, it nevertheless was involved in the reasons why Congress enacted the law.

Now, another thing: The United States Supreme Court has held that the Congress has the power not only to regulate interstate commerce but to regulate the instrumentalities of interstate commerce, to regulate the agencies of interstate commerce, and that Congress is the judge of the extent to which it may go so long as it keeps within the provisions and powers of the Constitution; and the Supreme Court will not deny that power to Congress so long as it does not transgress the obvious intention of the Constitution in conferring the power.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DENISON. As I understand the position of the gentleman from Kentucky, it is this: This is an article which is necessary for the public and which, under the law of supply and demand, reaches a price that is unfair to the consumer, and that under those circumstances Congress has the authority to step in and to prevent unjust imposition.

Mr. BARKLEY. No. That is not the position I occupy, although I am going to make this statement: Nobody can tell how far the Supreme Court will go in laying down the law. It is impossible to say that the Supreme Court, having gone thus far, will not go further. If Congress undertakes to exercise the power under the present conditions, that would be under the grant of power contained in section 8 of the Constitution. But

I want to say that it is my belief that Congress, having the power under the Adamson law, as decided by the Supreme Court, to fix the wages of men engaged in interstate commerce transportation, has the power not only to regulate the carriers who carry interstate commerce, but to regulate any industry that is large enough to become an integral part of the agencies of interstate commerce in the country. I am not prepared to say that the Supreme Court might not uphold a statute which undertook to fix a limitation upon the power of men engaged in interstate commerce to charge the people for an article which they carry in interstate commerce. I am not saying that I believe absolutely that that power exists, but no man can foresee the extent to which the Supreme Court may go in upholding the power of Congress to regulate interstate commerce.

Mr. DENISON. I would also like to ask the gentleman whether he thinks, if the price of coal in interstate commerce, under the law of supply and demand, should reach such a point that it would be unfair to the consumer, Congress ought to use the power of interstate commerce to regulate it in the interest of the consumer?

Mr. BARKLEY. Whether Congress ought to do it or not is not for me to say. But if we have the power—and the President seems to assume that we have the power, and the Attorney General seems to have concurred in that opinion—if Congress has the power to go the whole length and take over the mines and mine the coal by the Federal Government and fix the price for it by the Federal Government, we have the right to go any distance that is short of the whole distance by fixing and regulating the price charged for articles that enter into interstate commerce. In other words, if we can do the whole thing, we can do any part of it separately.

Mr. DENISON. Suppose the price of coal should reach the point, under the law of supply and demand, where the price would be unfair to the producer, where the profit would be so small as to curtail production and be unfair to the producer. Does the gentleman think we ought to legislate to fix a price that would be fair to the producer?

Mr. BARKLEY. I am not passing upon the question whether we ought to do it. I think that if Congress has the power to fix the wages of employees of carriers engaged in interstate commerce, as was done under the Adamson law, which was passed as an emergency—if Congress has the power to declare what the wages paid by carriers engaged in interstate commerce shall be, and that power has been upheld, it is difficult for me to differentiate that from a power to declare the conditions under which any commodity may enter interstate commerce.

In the *Coronado Coal Co.* case, decided very recently, the court said:

It is clear from these cases that if Congress deems certain recurring practices, though not really a part of interstate commerce, are likely to obstruct, restrain, or burden it, it has power to subject them to national supervision and restraint.

In the case of *Nelson v. New* (243 U. S. 332), which arose under the Adamson law, the court said that the legislative will can be exerted "to the end that no individual dispute or difference might bring ruin to the vast interests concerned in a movement of interstate commerce for the express purpose of protecting and preserving which the plenary authority in Congress is reposed."

But I believe that this law is capable of being sustained not only under the commerce clause of the Constitution but I believe that it may be sustained also under the welfare clause of the Constitution. The Supreme Court has never gone very far in defining what the welfare clause of the Constitution means. It seems to have circumscribed around that, just as Congress has done. But I am of the opinion—and I express it merely for what it is worth, and it may not be agreed to by any Member of this House—I am of the opinion that whenever the Supreme Court gets a fair lick at the interpretation and definition of the welfare clause of the Constitution it will give Congress almost supreme power to deal with any great emergencies that may arise, either in time of war or in time of peace. [Applause.]

Mr. TUCKER. Mr. Chairman, will the gentleman yield for a moment?

Mr. BARKLEY. I yield to the gentleman.

Mr. TUCKER. The Supreme Court had that opportunity in the last five months.

Mr. BARKLEY. But it did not exercise it or avail itself of it. We are bound to assume that the Constitution, in section 8, where it confers all the powers that Congress has, meant what it said; and the Constitution does not distinguish between the validity or the extent of any of the powers that are conferred under section 8 of the Constitution. The Congress shall



have power to lay and collect taxes, and that is not limited to war. And it has power to collect duties. It has power to pay the debts of the United States. The power is conferred upon the Congress to provide for the common defense and "general welfare" of the United States. And then, after enumerating the powers conferred on Congress, the section provides that Congress shall have power to enact all laws necessary to carry out the exercise of the powers previously enumerated. And I take it for granted that the framers of the Constitution gave those two expressions "common defense" and "general welfare" equal dignity and power, because they are contained in the very same clause, in the very same phrase of the Constitution.

Congress shall have power to provide for the common defense—

which means that it has the power to defend the country in war, and the power to maintain an army and a navy not only in time of war but in time of peace; and also it has the power to provide for the general welfare of the people of the United States; and that is not limited to war, but it is coextensive with the entire existence of the Nation; and I believe that not only have we the power to enact this law under the commerce clause but also under the general welfare clause of the Constitution, because it certainly provides for the general welfare of the people of the Nation. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. WINSLOW. Will the Chair kindly inform me how much time is remaining?

The CHAIRMAN. The gentleman from Massachusetts has 41 minutes and the gentleman from Indiana [Mr. SANDERS] has 3 minutes.

Mr. WINSLOW. I have been authorized to say that the gentleman from Indiana [Mr. SANDERS] yields back to me the three minutes remaining to him.

The CHAIRMAN. Then the gentleman has 44 minutes.

Mr. WINSLOW. I yield 25 minutes to the gentleman from Illinois [Mr. GRAHAM.]

The CHAIRMAN. The gentleman from Illinois [Mr. GRAHAM] is recognized for 25 minutes.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, I dare say nobody will deny that a serious emergency exists in the coal distribution and supply of the country. This emergency, which is national in its scope, is threatening not only the welfare of the people but the public health as well. The emergency has been caused by two circumstances which have combined, one of which is the stoppage of the production of coal in the mines of the country for a period of four months and the other is the railroad strike which still continues and which impairs and interferes with the distribution of what coal there is in the country. Previous speakers have told you something of the situation of the country and I do not care to reiterate what these gentlemen have said. It is sufficient to summarize that we are 35,000,000 tons of anthracite coal short; that in the northwest country, with winter approaching, where ordinarily 25,000,000 tons of coal are piled upon the docks for the supply of that country, there is to-day between 5,000,000 and 10,000,000 tons. Where ordinarily there are pouring out from the mines of the country into the market at this time of the year from 10,000,000 to 13,000,000 tons a week, there are to-day between 6,000,000 and 7,000,000 or, possibly, 8,000,000 tons, with a maximum in sight under the present railroad situation of 10,000,000 tons. The coal storage of the country for industry, usually about 25,000,000 tons, is completely exhausted. So that the country, having its bins stripped bare, industries closing, the Northwest about to be locked up by the winter which is coming, the anthracite mines closed, the railroad strike continuing, we are threatened with what must occur to every unprejudiced mind in this House as a serious dilemma and emergency which requires action on our part. Everyone who has any sense of the conditions at all has agreed that this emergency is here, and those who have opposed this measure have not in any wise denied that that fact exists. With the winter approaching profiteering is becoming rampant in the country.

The very fact that the railroad strike still continues is making it possible for this nefarious business to be carried on, and to-day, instead of an equitable distribution of coal throughout the country, we find that, with coal coming out at a rate far below that required for even normal consumption, certain parts of the country are bidding for this coal; manufacturers and brokers, intent only on filling their own bins, are bidding exorbitant prices for this coal at the mouths of the mines, while other parts of the country are receiving or will receive no coal at all. The testimony shows that it will take from 15 to 20 weeks at the very greatest production we can obtain to bring

us up to the ordinary level, and by that time we will be in the dead of winter.

Mr. KENDALL. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. KENDALL. Can the gentleman inform the House where operators are receiving \$12 per ton to-day?

Mr. GRAHAM of Illinois. The testimony of Secretary Hoover and others before our committee showed that there are places where they are bidding as much as \$12 a ton at the mouth of the mine.

Mr. KENDALL. I represent the largest bituminous district in the United States, and the price yesterday was \$3.75 per ton at the mine.

Mr. GRAHAM of Illinois. It does not make any difference what the gentleman's personal experience is. The testimony before our committee and the fact is that in parts of the country they are bidding these immense sums, and what coal there is is flowing in the direction of those who are willing to pay these perfectly extortionate prices.

Mr. WINSLOW. Will the gentleman yield a moment?

Mr. GRAHAM of Illinois. Yes.

Mr. WINSLOW. Will the gentleman from Illinois kindly ask the gentleman from Pennsylvania if his coal price has not been fixed by the State administration?

Mr. GRAHAM of Illinois. Is that true?

Mr. KENDALL. It was fixed at \$4.50 a ton, and yesterday coal was selling freely at \$3.75 a ton.

Mr. GRAHAM of Illinois. Irrespective of what the price is there, we know that the pinch of winter will cause suffering over this country, the best we can do. In this emergency, gentlemen of the Congress, shall we sit supine and say we can do nothing? Is it possible that the Congress of the United States, with this emergency coming on, is absolutely powerless and that there is no power in the Government to regulate these things and to see to it that such national resources as we have are distributed to the people of the country who need them? I say there is in this Government, as in all governments, the power to take care of its own people in emergencies.

Mr. STAFFORD. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. STAFFORD. Granting that there is plenty of bituminous coal, what does the gentleman say as to the anthracite situation, when there is no anthracite at all available at the present time for domestic consumption?

Mr. GRAHAM of Illinois. Five counties in the State of Pennsylvania produce practically all the anthracite coal there is to be had in the country. These mines are locked up, and they will remain locked up until an agreement is reached. Not a pound of coal will be mined there unless there is an agreement between the anthracite miners and the operators, and no such agreement is in sight; and while we ordinarily have 35,000,000 tons of their product in our bins, we have not a pound, nor is there a pound for distribution.

So you see what condition we are in. Now, gentlemen, surely there is some power in the Government to put an end to this and to do something to help the people. Do you not agree with me, on both sides of the House, that if we can do anything we ought to do it? Ought we not to try to do something, and what do those who oppose the bill and other similar measures have to offer?

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will yield to the gentleman.

Mr. SMITH of Michigan. Will the gentleman please explain how this bill will stimulate the production of coal?

Mr. GRAHAM of Illinois. I will try to get to that later. Now, three remedies for the present situation are proposed; three remedies are possible at this time, and three only that I can think of that anybody has suggested. The first is that there should be devised by Congress the legal machinery to settle the strikes. What form would that take? It would take the form of legislation for compulsory arbitration. If the two opposing powers in the coal industry and in the railroad situation will not agree and if Congress is to do anything, there is only one thing it can do, and that is to contrive machinery to create some forum to adjudicate their differences and to make its mandate conclusive. Is the Congress at this time ready to enter into legislation for compulsory arbitration and would such a bill pass the Congress? The gentleman from Texas [Mr. RAYBURN] who preceded me says that there is not the slightest chance of getting such legislation through, and I take him at his word and agree with him without in any way expressing my own personal opinion as to the necessity of such legislation. But that question is not now presented to us. I tell you what we want is action, and that quickly. It would take time to enact legislation of this kind, if it can be enacted at all. In the



meantime the crisis has come, the frost has come, the snows of winter have come, and those who shiver in the tenements of New York will be cold, and the people living on the prairies of the Dakotas will suffer. It is up to us to do something as speedily as we can.

What is the next plan? The next plan is to open the mines. Will the Congress now enact legislation authorizing the seizure of the mines and the railroads of the country? It is extremely doubtful. Irrespective of whether it will be done or not, let me say the testimony is that it will take 60 or 90 days to get the machinery in operation by which it can be done. In the meantime the winter is on us, the crisis is here, and profiteering is continued.

What is the third plan? The plan suggested by this bill to contrive some machinery that can be made effective the day after the bill receives the signature of the President. This machinery can be set in operation and priority orders may be issued by which the coal in the country can be routed to the places that need it the most. Under the law as it exists today—and I defy anybody to successfully contradict it—there can be no routing to a particular place under priority orders that will be successful and operate promptly and efficiently. But under this plan which is set out in this bill priority orders can be issued at once which will send to the proper parts of the country the coal which is so urgently needed.

In the meantime the man who is bidding \$10 or \$12 or other fabulous sums for coal at the mine, usually for the purpose of speculation, will be deprived of his opportunity to stock his bins at the expense of those who have no coal at all.

Thus it must appear that the only feasible thing we can do now is to adopt the scheme of priority orders so that we may direct the coal we have to places where it is needed, and do it quickly. If some of these mine operators, when these priority orders are put into effect, as the gentleman from Indiana [Mr. SANDERS] says they may, refuse to produce coal, then I say to you gentlemen of the committee that for one I am ready and I believe the country is ready to show these gentlemen who live in the district of the gentleman from Indiana [Mr. SANDERS], operating coal mines, that there is a power to make those mines operate.

The people of the country are entitled to the use of this coal. No man and no number of men, because they have title to this coal, may say to this great people, "You can not have coal; you must freeze." There are ample means to right such a condition. I am ready to go along on that route, but until that time comes, to get a speedy remedy, one that will be effective, let us follow the logical, simple plan presented to us, and one that has the approval of everyone who has given the matter any careful thought. It has the approval of the President, as will be shown by the chairman of the committee when he comes to address you; it has the approval of the Secretary of Commerce, Mr. Hoover; it has the approval of the Interstate Commerce Commission, as stated by Mr. Aitchison; it has the approval of everybody else who has given it any constructive and helpful consideration.

Now, what are the alternatives placed before us by gentlemen who oppose it? Some, like the gentleman from Pennsylvania [Mr. GRAHAM] and the gentleman from Texas [Mr. RAYBURN], criticize the bill, but when answering the question what they would do, they have no remedy. The gentleman from Texas [Mr. RAYBURN] says that if he were President of the United States he would do certain things as regards the protection of the men who want to work in the mines and on the railroad. He would call soldiers and secure the right to work. Very good and well, but Mr. RAYBURN is not President of the United States, and this Congress is confronted with the proposition to do what it can do to end this crisis and alleviate the condition of the people. Some of them, like the gentleman from Indiana [Mr. BLAND] and the gentleman from Kentucky [Mr. ROBSION]—

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. NEWTON of Minnesota. Referring to what the gentleman from Texas said, did not the President when addressing us use these words?—

Wherefore I am resolved to use all the power of the Government to maintain transportation, and sustain the right of men to work.

Mr. GRAHAM of Illinois. Yes; and he proposes to do it, and more strength to his arm in so doing. Instead of criticizing and trying to find some little technicality, I favor doing something that will help the people out in this great calamity that is facing us.

The trouble with the gentleman from Texas [Mr. RAYBURN] is that he lives in a country, perhaps, where they do not need very much coal and the pangs of this winter will not affect them

very seriously. However, I remember that in the past the gentleman from Texas, when similar emergencies have arisen in other cases under a former administration, has not been slow to follow the leadership of his President, who was of his own political party at that time. If I am not mistaken, when President Wilson said an emergency existed and asked for the passage of the Adamson bill the gentleman from Texas voted for it. Some gentlemen, like the gentleman from Indiana [Mr. SANDERS], have substitutes. I would like to have you read the substitute that the gentleman from Indiana, who represents this large block coal country, has presented as it is printed in the RECORD. It is absolutely nothing. It has no teeth in it; it has been thoroughly emasculated. It appoints a Federal fuel distributor and gives him no powers except to find facts and adds no power to the Interstate Commerce Commission, and the gentleman from Indiana will have you satisfied with that substitute which he presents and will present on the floor as a substitute for the original bill. You may just as well pass nothing, because it has no efficiency, no force, no teeth; it gets nowhere, it starts nowhere, and it does not arrive. So that the sum total of the suggestions that we have heard from those who oppose this bill is nothing in a constructive way and nothing except criticism of and opposition to the bill that we have before us.

Let us see what other objections are made to it. I want to briefly run over them. I may not have time to go through them all. Some are opposed to this bill because it does not go far enough. Well, because we have only a half loaf, should we throw it away because we want a whole one? If it goes but a step in the right direction, is it not advisable to take that step? However much I may think we ought to go further, I am willing to go as far as this bill goes and let the future take care of itself.

If this does good, let us measure it by its own yardstick. Some argue that the present law is ample for this emergency. If that is true, then the present law gives the Interstate Commerce Commission the right to issue the kind of priorities mentioned in this bill. Those who make these arguments know that there is no such power in the present interstate commerce act as is contained in this bill, because this bill contains two elements, namely, the right to route coal to particular buyers and the right to do it as to prevent extortion. Do you know why extortion may properly be curbed in this law? Let me state it briefly to you. It is proper to regulate extortion in coal for two reasons. First, can anyone tell me any way in which the transportation of the country can be maintained without coal or other fuel? The Constitution of the United States gives the Congress the right to regulate commerce between the States and with foreign countries, and, having this right, it follows as a natural and legitimate consequence that we have the right also, if coal is necessary for the maintenance of transportation, to do what is necessary in order to secure a production of this necessary commodity. Shall we admit the power to regulate in its minutest details interstate commerce and deny the right to maintain it? I shall later cite some cases bearing on this point. They say that we ought not to try to regulate extortion, that we ought to cleave to the sacredness of contracts. There is no contract made in the country anywhere, there is no contract made between men, that is so sacred that it does not yield to the higher rights of all the people of the country, to the public interest and the general welfare. There is no right of private property except the right which is subject to the greater right of the common good. There is no right given by the laws that does not yield to the greater right of the people where an extremity or emergency arises. There is no absolute right of private property. And especially is this true as to those things absolutely essential to the needs of human society.

There are those who talk about the fact that if we do this we will shatter the Constitution, we will depart from the paths of our fathers, and no longer follow the safe paths which they marked out for us; that the Constitution is in danger. When I think of them and think of the possible consequences that may follow this emergency, I am inclined to say, as I have said before in this House, that so far as I am concerned, I would rather have a people without a Constitution than a Constitution without a people. [Applause.] What is the Constitution? What is it made for? Do we not have the general powers that every people have? If an emergency confronts us, do we not have the right and power to meet it? Reason affirms it, common sense declares it, and our Supreme Court has so held on numerous occasions.

The gentleman from Indiana [Mr. SANDERS] spoke of wagon mines, as did his colleague [Mr. BLAND], stating that these wagon mines would be affected. But where is there anything in this bill that so says? The bill gives to the Interstate Com-



merce Commission the right to issue priority orders. Does it say that they must be issued as to all persons? Does it say that they must be issued exactly alike and on similar terms? The issue is with the Interstate Commerce Commission, and the Interstate Commerce Commission has to deal with the matter according to the particular facts surrounding that priority order which is issued.

They say the bill does not get to the middleman, that it does not affect the one who is the real grafter, the man who is causing most of the trouble. Why does it not? It does. The bill provides by most stringent remedies, even going to the extent of imprisonment in the penitentiary for these things. It provides that anyone giving or receiving any concession in car-service priorities in violation of a rule of the commission, or anyone who shall get a priority order through fraudulent means, or anyone who shall have obtained coal on a priority order, and who disposes of it for some other purpose than that mentioned in the priority order, shall make himself liable to punishment. What is the procedure in this matter?

If the bill goes into effect and somebody wants to ship two cars of coal to a particular community, he gets a priority order making the application to ship them to a certain consignee for a certain purpose. Suppose he gets the coal and then he sells it to a broker for another purpose, or, being a broker, hawks it about and raises the price. He immediately lays himself liable to this provision which was put in by way of amendment, and, therefore, makes himself liable to the heaviest kind of a penalty. So that the bill does reach the middleman. It follows the coal from the mine to the consignee, and therefore has teeth in it, teeth which are sufficient for all purposes.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. HARDY of Texas. If a gentleman here in Washington gets a priority order on the ground that he is furnishing householders in Washington with coal, and he gets 1,000 tons of coal and then charges 2,000 per cent profit upon it, where has he violated anything in the bill? He distributes it as he said he would do.

Mr. GRAHAM of Illinois. He has not violated anything in this bill so long as he uses it for the purpose for which he bought it, but it is assumed that, so far as the distribution for the original purpose is concerned, the local jurisdiction will make the necessary laws to perfect that distributing process.

Mr. HARDY of Texas. It does not prevent the local profiteering?

Mr. GRAHAM of Illinois. Not if it occurs at the hands of those to whom it was consigned. But we can follow it in interstate commerce from the consignor to the consignee. We can do this: We can see that it goes to the right parts of the country, and in order to see that and that it is not all absorbed in the bins of those who are willing to pay fabulous prices for it, we can regulate the charges which are to be made to this extent.

Now, it has been said this is purely a price-fixing measure. It is not a price-fixing measure. It only carries the price fixing right to this extent, that if at any time it is found that extortion becomes a burden on interstate commerce, then the Interstate Commerce Commission has a right to so direct the flow of coal as to penalize those guilty of this extortion and thus probably secure the flow of coal in interstate traffic at reasonable prices.

Mr. YOUNG. If the consignee charges an unreasonable profit, can they not refuse to give him any more coal?

Mr. GRAHAM of Illinois. They can.

Mr. YOUNG. And if they can do that, can not they tell him what profit he must ask for?

Mr. GRAHAM of Illinois. They can exercise that power, of course. The question of the priority is fixed in the power of the Interstate Commerce Commission, but the price fixing is merely incidental to the general power which is conferred in this bill, namely, that of a means to circulate coal throughout the country and get it to those parts where it is needed most.

Mr. EVANS. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. EVANS. Is it not a fact, if the consignee has a priority order covering household delivery for the winter, that that delivery would be made from month to month, and if the first coal delivered were sold at an extortionate price he probably would not have a subsequent delivery of coal?

Mr. GRAHAM of Illinois. I think the gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WINSLOW. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. GRAHAM of Illinois. Reference is made to the case of *United States v. Cohen* (255 U. S. 81), and it is claimed that

under the reasoning in that case no penalties can be legally inflicted for a violation of this proposed act. That case held that the penalty clause of the Lever Act was too general; that inasmuch as it penalized anyone who should charge a price for food commodities that was "unjust or unreasonable," and whereas what was a just or reasonable price always depended upon circumstances, the section was indefinite and uncertain and incapable of enforcement. But this bill does nothing of the kind. It penalizes those who violate an order of the Interstate Commerce Commission or obtain such an order by fraud. Hence the penalty is inflicted for the violation of a definite duty plainly expressed by law and by the order of the commission.

Let me cite a few cases in support of my contention that this bill is fully within the powers of Congress and is violative of no constitutional provision.

Congress is the exclusive judge of when a national emergency has arisen. This has been repeatedly announced by our Supreme Court. One of the leading early cases was *Legal Tender* case (110 U. S. 421 (450)). In that case the court held that Congress having held that an emergency existed, paper money might be issued and made legal tender for all debts, public and private. The power to declare such an emergency was not questioned but freely admitted by the court.

In *United States v. Gettysburg* (160 U. S. 668 (682)) an act of Congress passed in 1894 was under consideration. This act provided for taking part of the field of the Battle of Gettysburg for a national park. There was express authority of law for such taking; but the court held that Congress having held the use of this land to be a public one, that judgment would be respected by the courts.

Again, in the very recent case of *Block v. Hirsh* (256 U. S. 155), the *Ball Rent Act* case, the power of the Congress to declare an emergency was upheld. In that case the Congress had passed a rent commission act, declaring that an emergency existed, growing out of the late war. In commenting upon this the court said:

But a declaration by a legislature concerning public conditions that by necessity and duty it must know, is entitled to great respect. In this instance, Congress stated a publicly notorious and almost worldwide fact. That the emergency declared by the statute did exist must be assumed, and the question is whether Congress was incompetent to meet it in the way in which it has been met by most of the civilized countries of the world.

Invariably, in such emergencies, the courts have sustained the exercise of all necessary powers by Congress to meet such emergencies. In *Block* against *Hirsh*, supra, the right of Congress to pass such a remedial statute was upheld. The court there, after citing numerous authorities, said:

These cases are enough to establish that a public exigency will justify the legislature in restricting property rights in land to a certain extent without compensation.

In *Jones v. Perkins* (245 U. S. 390), the *Selective Draft Act* case, the court sustained the right to send the militia out of the country on the grounds of the public necessity, although seemingly contrary to the letter of the Constitution. Again, in *Missouri v. Holland* (252 U. S. 435), this being a case in which the right of Congress to pass a law protecting migratory birds in pursuance of a treaty with Canada was in question, the court said:

Here a national interest of very nearly the first magnitude is involved. It can only be protected by national action in concert with that of another power. \* \* \* We see nothing in the Constitution that compels the Government to sit by while a food supply is cut off and the protectors of our forests and our crops are destroyed.

But it has been contended that prices may not be controlled in any way by the Congress. If they constitute a burden upon interstate commerce they may. I call attention to the recent case of *Stafford et al. against Wallace*, decided by the Supreme Court May 1 last, and not yet in book form. In that case, which was one passing upon the recent stockyards regulation act passed by Congress, Chief Justice Taft said, among other things:

Another evil, which it was sought to provide against by this act, was exorbitant charges \* \* \* in the passage of the live stock through the stockyards. \* \* \* If they be exorbitant or unreasonable, they are an undue burden on the commerce which the stockyards are intended to facilitate.

The question of exorbitant charges was directly involved in that case.

Finally, I want to call your attention to the case of the *United Mine Workers of America against The Coronado Coal Co.*, found in the advance sheets of July 15, 1922, on page 643. I read from page 657:

Obstruction to coal mining is not a direct obstruction to interstate commerce in coal, although it, of course, may affect it by reducing the amount of coal to be carried in that commerce.



Then, on page 658, after the citation of numerous cases, this is said:

It is clear from these cases that if Congress deems certain recurring practices, though not really part of interstate commerce, likely to obstruct, restrain, or burden it, it has the power to subject them to national supervision and restraint.

That opinion was rendered by the Supreme Court of the United States.

Mr. MOORE of Virginia. On June 5, 1922.

Mr. GRAHAM of Illinois. I do not want to go further. In conclusion let me say this, gentlemen of the committee, that if we do not pass this act we have failed to do the thing that we can do which may be effective, which is the only thing presented to us, which comes to us with the recommendation of those in authority who have studied the subject, who have sweat blood over it for weeks, and who now ask at our hands this slight measure of relief for the American people. The people are expecting us to do something, and he who would obstruct the passage of this bill is refusing to do anything to bring to the people the relief to which they are certainly entitled. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield to the gentleman from Indiana [Mr. KRAUS].

Mr. KRAUS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to extend his remarks in the Record. Is there objection? [After a pause.] The Chair hears none.

Mr. KRAUS. Mr. Chairman, we have presented to us for our consideration a measure which is undoubtedly of greater importance than any proposed law presented to the Congress in peace times during many decades. I would call your attention to the fact that it was filed in the House last Saturday, brief hearings held on Monday, that the hearings only became available for use of the membership on Tuesday, and at the same moment we are asked to pass upon the momentous questions involved.

Undoubtedly every Member of this body is in sympathy with the purpose of the proposed legislation and desirous of taking every action that there is any reasonable hope would furnish fuel to consumers at a reasonable price.

The proponents of this legislation would have us believe that by denying transportation facilities to coal producers who do not sell their products at a reasonable price, determined by Government agency, we would be able to prevent profiteering in the country's fuels. I submit that efforts to fix prices have been found to be unworkable in practice, and that where it has been put in operation it has in fact resulted in lessened production and enhanced prices.

But before discussing this phase of the matter I have no hesitancy in asserting that there is no power vested in the Federal Government to fix prices of products of the people in peace times. We must keep in mind that the powers of the Federal Government are not so broad and so all inclusive as they are in war times, as the Constitution vests in the Federal Government the broad powers necessary for its use when the life of the Nation is at stake. Neither has the Federal Government the broad powers that are reserved to several States in this phase of the matter.

I shall not try your patience nor encumber the record by a dissertation on the legal question involved. It is obvious that the committee in reporting this bill was conscious and aware of the absence of power to directly fix price, because it has taken the indirect course of making a finding that a price was not in conformity with the reasonable price established as the ground for imposing an embargo or denying transportation facilities to an alleged offender. Clearly there is no expressed provision of the Constitution which would either authorize or permit price fixing, but it is sought to accomplish the purpose by an expansion of the provisions of the commerce clause of the Constitution.

My friends, I urge that you seriously consider the effect of the Federal Government adopting a price-fixing policy as a condition precedent to the right of entering commodities in interstate commerce. If the National Government has a right to fix the price of coal that may be transported from one State to another, it is easily conceivable that the Congress could and might pursue the same policy and undoubtedly would be called upon to do so in relation to wheat, live stock, cotton, and every other product of the farm and plantation, and in a very short time we will have a large element of organized society insisting upon just such action in relation to these products. Further, when we have once embarked in peace times upon this policy other large elements of every community would be rightfully clamoring that similar action be taken in relation to clothing,

boots and shoes, and all other commodities that are essential and useful to human happiness and well-being, and we must not shrink from but must frankly recognize the inevitable logic of this policy. It means in finality that the Federal Government must undertake to fix compensation and wage of labor, as work is the major element of cost of commodities.

It is easy to believe that the chiefs of the Moscow government gleefully observe that it is seriously proposed by the American Government to embark upon a system of Government price control of commodities and labor, as that is basic in the Bolshevik system.

I should also remind you that the bill would add to the already numerous Federal agencies, carrying with it a horde of subordinate officers and employees to be paid out of Government resources, and give to this agency and its officers and employees unlimited bureaucratic power. As to the extent of the power conferred, this can be best and most briefly illustrated by the construction Mr. Aitchison, of the Interstate Commerce Commission, placed upon one of the clauses of the bill when he was interrogated at the hearing, when he said "It was a general catch phrase which was intended to take any effective procedure or method to accomplish the purpose of the act." In other words, my friends, the official who will be charged with enforcing this act will not look to the law for specific authorization and definition of his powers, but he and his associates are practically now contending that if this bill should become law they will be permitted to pursue any course that they now have in mind or they may hereafter desire to adopt. In effect its provisions are such that instead of being governed by the mandates of the law the Nation would be governed in this all-important matter by the whim, and I might almost say caprice, of an individual or an organization intrusted with the enforcement of the law.

I can conceive of no greater backward step in representative government than this policy of intrusting administrative officials with the right to determine broad basic policies rather than having them determined by the representatives of the people.

Naturally one should be cautious in the realm of prophecy, but our experience in price control of fuel is a matter of such recent history that I would remind you that we had the greatest orgy of abnormally high fuel prices during the period of Federal control during the war. We not only had unheard-of prices but inequitable distribution together with disorganization in industry, and at one time even complete cessation of industry in certain parts of the country because of orders of the Federal controller of fuels, together with all the deprivations incident to this situation. I might call your attention to the very clear statement on the subject of price fixing made by Mr. Edgar Wallace, of the American Federation of Labor, at the hearing, in which it is said:

As I understand it, the bill takes cognizance of the fact that nearly all the coal bins in the country are empty; that the bituminous coal miners have started to work, but that there is a danger, judging by past experience, that everyone will try to fill his coal bin completely immediately; that that will cause competition in buying or, in fact, a buyers' panic, and that there will be a runaway market in which the prices will go soaring; and that in order to avert such a situation, as I understand it, there are provisions in this bill that there shall be a coal distributor controlling it. As I understand it, it is provided that the industries shall get what coal they need immediately to keep them going, but that no one shall be allowed to get all the coal he desires or so much coal as to make it impossible for other people to get coal, and so, in that way, it is sought to avert a buyers' panic. We are in favor of that bill, or I would say, we are in favor of that much of the bill. We think it would have a tendency to eliminate the parasite from the industry that generally appears in such circumstances as the present—that is to say, the wash buyers, if you understand what I mean by that term. I mean the man who never does anything toward producing a ton of coal; the man who does not consume any coal; the man who fills no purpose but who in times of panic will buy a number of cars of coal, take a profit from it, and possibly pass it on to others who are just such buyers as himself.

I believe the bill could be made more explicit if it would outlaw just such purchasers as that. As I have said, inasmuch as the buying public or the coal consumers would be assured that the Government would see that they got coal as they needed it, and, recognizing that the bituminous coal industry can not only produce the peak demand but can produce 25 per cent more than the peak demand, I believe that that part of the bill will be sufficient also to protect the public. I want to say this, that I am not in favor of any fixation of prices at the mines or anywhere else. The reason I am opposed to that is based upon past experience. The experience is that the Government fixes a maximum price, and that maximum price immediately becomes the minimum price. Furthermore, the Government can not by its act confiscate the property of the citizen, and hence the mine that is not economical, or the mine that is inefficiently managed, or the high-cost mine, becomes the standard, and the cost of coal is raised instead of being reduced at any attempt at price fixation that the Government can make and keep within its powers granted by the Constitution. Now, I believe that by protecting the consumers from this condition or by averting fear, which is panic, and by making them recognize that the Government will see to it that they will get coal as they need it and when they need it, and the recognition of the fact that the industry is capable of producing plenty of coal, you will be able to prevent



a runaway market. It will result in distributing the coal on hand as it is produced evenly over the country, and it will be beneficial. I want to say in connection with this that my fear of price fixation is based upon past experience.

If that power is used to distribute the coal so as to insure sufficient coal for the needs of the people and to permit no one to grab it all, and thus cause a panic through competition in buying, the coal industry would be benefited. That is true, because otherwise a few people would fill their bins, or they would try to do it, and others would have to go without it. Then the business of those that would go without would be lost to us forever. No one would be injured by that use of the power of the Government, and I do not believe any question would be raised as to whether or not the Government has that right. The experience of the past indicates that some order in the distribution of coal is necessary.

You will note that Mr. Wallace does not undertake to discuss the legal questions involved but has most forcefully stated results of his observations and experience.

My colleague, Mr. SANDERS, has called the attention of the House to the text and character of a measure he proposes to offer as a substitute for the pending bill. Briefly you will observe that he proposes to somewhat enlarge the powers of the Interstate Commerce Commission by describing conditions and circumstances under which embargoes may be authorized and priority in car distribution authorized, and eliminate the price-fixing phase of the bill. In other words, he proposes legislation clearly within the powers of the Federal Constitution, and I am confident that if it is enacted into law and cars are equitably distributed in accordance with its provisions so that each section of the country shall be accorded transportation in proportion to its population, character, and number of its industries that we will have a just distribution of the various fuel products to all sections of the country and the normal law of supply and demand will result in the expenditure of a much smaller gross sum for the fuel supply of the people during the coming winter than if we again embark on a fuel price-fixing policy under the control of a bureaucracy that knows no rule except its whim and pleasure.

Mr. WINSLOW. Mr. Chairman and gentlemen of the committee, just previous to the 18th of August current the President of the United States decided that an emergency was either at hand or imminent. On the 18th of August he submitted a message to the Congress in reference to the situation. In that message, among other things, he referred to the need of doing something in the way of legislation to help the administration and the Government handle the difficult conditions which had arisen in respect of the railroads and of coal and fuel. He at that time suggested some sort of workable legislative machinery, and so forth.

But as soon as those who have been most prominent in the operation of the coal business in behalf of the Government came to suggest legislation or to draft a bill they were confronted with difficulties which they had hard work to overcome. That all resulted in the transmittal of two drafts of suggestions by the President of the United States to the chairman of the Committee on Interstate and Foreign Commerce of the House. On the 23d of August, five days after the suggestions made to the Congress by the President, the letter which I wish to have the Clerk read was forwarded.

The Clerk read as follows:

THE WHITE HOUSE,  
Washington, August 23, 1922.

Col. SAMUEL E. WINSLOW,  
Chairman Interstate Commerce Committee,  
House of Representatives, Washington, D. C.

MY DEAR COLONEL WINSLOW: I am inclosing to you herewith copies of the draft of two measures which are designed to prevent or cure profiteering in the coal industry in the present emergency. These bills are the recommended suggestions of the voluntary presidential fuel committee which is headed by the Secretary of Commerce. I am inclosing to you herewith a copy of Chairman Hoover's letter in order to convey to you the viewpoint of those who have been called upon to deal directly with this problem. It is a confessedly difficult one. The limitation of constitutional authority on the one hand and the very great demand for Government activity on the other combine to make it a problem well worthy of the earnest and early attention of the Congress. It has been a long and tedious route to the resumption of coal production, and the shortage of stocks and the general anxiety has opened a field for profiteering activities which ought to be discouraged in every way possible within the limits of constitutional law.

Very truly yours,

WARREN G. HARDING.

Mr. WINSLOW. Transmitted with that letter was one from the Secretary of Commerce to the President, of the same date. I ask that the Clerk read it.

The Clerk read as follows:

DEPARTMENT OF COMMERCE,  
OFFICE OF THE SECRETARY,  
Washington, August 23, 1922.

The PRESIDENT,  
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I inclose herewith two draft measures offering alternative bases for mitigation of profiteering and for better distribution of coal in interstate commerce during the present emergency.

We are advised that any direct legislation for the repression of extortionate prices has no constitutional basis. Therefore, three alternatives are presented in mitigation of the situation:

1. Voluntary agreement with operators and distributors of coal.
2. Extension of the powers of the Interstate Commerce Commission in such fashion as to give positive priority to the movement of non-profiteering coal.
3. For the Federal Government to enter the business of purchase and distribution of coal and by such competition to put the balance wheel in the price situation.

The necessary legislation for the latter two alternatives has been drafted under the direction of your presidential fuel committee, comprising representatives of the Departments of Commerce, Interior, Justice, and the Interstate Commerce Commission. This committee prefers the draft in which Federal authority is exerted through extension of the priority powers of the Interstate Commerce Commission, this being less cumbersome, requiring less extension in the Federal organization and being more expeditious of application than the alternative plan through actual Government possession of coal. The committee is in agreement that the exertion of such powers in times of peace is highly distasteful, and can only be justified as a measure necessary to provide for the effect of a famine in so necessary a commodity.

We are deeply impressed with the fact that, due to the almost total exhaustion of coal stocks and the inevitable and growing shortage in transportation, that the difficulties of the country will be very great even with the resumption of coal production, and unless there is legislation enacted that will curb profiteering and will give control to distribution, there will be great suffering and difficulties during the period of readjustment.

The Federal fuel distribution, set up by this committee under Mr. Spencer upon a basis of voluntary cooperation between Government departments, State agencies, and the majority of operators of coal mines, is without funds for even incidental expenses, and without this agency it would be impossible at the present moment to maintain the essential public utilities and other services in the country. Even this service must shortly be abandoned unless provision is made by appropriation, and they can not expect to be successful in the rapidly tightening situation and in the face of reduced transportation facilities unless their authority is increased.

Yours faithfully,  
HERBERT HOOVER,  
Chairman Presidential Fuel Committee.

Mr. WINSLOW. After the receipt of those documents the chairman of the committee asked several of his associates on the committee privately to help him build up a bill. We labored for two days and a half, night and day, nearly, with the cooperation and assistance of everybody, either in person or by representation, who had had anything to do with the administration of the present coal crisis. We worked on that bill and brought out virtually what you have before you to-day, subject only to a few amendments in the committee.

On the night of the 25th of August, which was two days after the letter of transmittal was sent, the newspapers contained an interview purporting to reflect the utterances of a distinguished gentleman who holds high political position here or in the neighborhood, in which he gave out the statement that the President wanted to take over the railroads and take over the mines, as he first stated, and that that was to be the legislation sought from Congress. That stirred up a lot of confusion and annoyance in everybody's mind. In order that we might get the facts as to what we were really up against in the committee and ascertain if by chance the President had changed his mind, I communicated with him so that I might have documentary evidence to show where the committee was. The following letter, which I will ask the Clerk to read, will explain the situation as it was last Saturday.

The Clerk read as follows:

THE WHITE HOUSE,  
Washington, August 26, 1922.

Col. SAMUEL E. WINSLOW,  
House of Representatives, Washington, D. C.

MY DEAR COLONEL WINSLOW: Thank you very much for yours of August 25. Quite without any regard to the apparent conflict between House activities and those in the Senate, which I am sure can be harmonized, let me express my gratitude to you and your associates for the promptness with which the House has taken up a rather indefinite recommendation and turned it into what I believe to be efficient legislation.

Gratefully yours,

WARREN G. HARDING.

Mr. WINSLOW. Yesterday afternoon a distinguished member of our committee—something of a wag, in his way, and rather a peculiar way at that—undertook to call the attention of the chairman of the committee and of the House to an apparently conflicting statement contained in an evening paper, which would indicate that the President on yesterday had "changed his mind again." Now, I have not a letter to bring forth at the thirteenth hour, as sometimes happens here [laughter], but I will pass my word to you, and you may take it for what it is worth, that this morning, in the presence of one of our committee, I telephoned to the President in order to get that report checked up. I wanted to get this presidential desire straightened out, because there are some people who claim to think that the President is feeble-minded enough to change his mind between night and morning and morning and night. That is not so. He authorized me to say that he is as much in favor of this bill as he has ever been, and always has been heartily in favor of it, and,



whether other legislation is imminent and necessary hereafter or not, he hopes this bill will go through, because he feels more and more confident every day that he can handle, and the administration can handle, the most flagrant cases and the greatest features of necessity through the operation of this bill, in accordance with its provisions.

I have said all that, Mr. Chairman, in order that we may know where the President stands in respect of this bill.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. No. I would like to; it would be great amusement; but I can not indulge. [Laughter.]

There are various elements of interest in connection with this bill.

We have heard a good deal about getting the coal out of the mines and soaking the poor operators, and the difficulties of controlling the middlemen, but those seem to have been dissipated into thin air by the reporting of real facts affecting the situation; but we have heard very little about distribution. There is a little bit of history in connection with the distribution business which is one of the real features of this bill. It is not enough to get coal out of the mines. It is not enough to get coal on the cars. It is not enough to ship it to the consumer. We must have it shipped to the right places. I have here some very interesting figures. I hope I will have time to state them. Coal is being shipped to-day far beyond the appreciation of the public. Query, Where does it go? Are the big fellows getting it? Is it being hoarded by somebody? If so, what are we going to do about it? Nothing, unless we pass legislation like this, that will allow somebody to control the destination of these cars. I have not the figures up to the last hour or two, but the great coal-carrying Pennsylvania Railroad has averaged per day in August, 1922, 4,450 cars of coal, as contrasted with 3,707 cars' average a year ago, an increase of more than 700 cars per day. The Baltimore & Ohio Railroad had a daily average in 1921 of 1,959 cars, and so far this month it has averaged 2,500 cars. The roads in the Pocahontas field had a daily average in 1921 of 3,852 cars. Already this month they have an average of over 5,000 cars a day. So I could go on. The Chesapeake & Ohio, the Norfolk & Western, the Louisville & Nashville, and other roads all show the same remarkable increase. Now, where is this coal going? Do we want an authority that can stick its nose into this thing and find out where the cars are going and arrange to send them where they ought to go, or are we going to have the great public clamoring for a bit of coal for a cook stove, or for its fireplace, or for its furnace, or for power to run the mills, and so forth, while all the while every day more coal is being shipped out and only the insiders know where it is going? This is a very important proposition, and the bill covers it and provides a method for controlling it. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That by reason of the prolonged interruption in the operation of a substantial part of the coal-mining industry in the United States and of the impairment in the service of certain carriers engaged in commerce between the States a national emergency exists which endangers the public health and general welfare of the people of the United States, injures industry and business generally throughout the United States, causes extortion, limits the supply of heat, light, and power, threatens to obstruct and hamper the operation of the Government of the United States and of its several departments, the transportation of the mails, the operation and efficiency of the Army and the Navy, and the operation of carriers engaged in commerce among the several States and with foreign countries.

With the following committee amendment:

Page 1, line 6, after the word "States," insert "and by reason of the disturbance in economic and industrial conditions caused by the World War."

The committee amendment was agreed to.

Mr. MAPES. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MAPES. Mr. Chairman, this bill is severely criticized for two diametrically opposite reasons: First, because it goes too far to suit some; second, because it does not go far enough to suit others. Some oppose it because, as they say, it authorizes a Government agency to fix the price of coal shipped in interstate commerce. Others criticize it because it does not authorize the fixation of the price of coal within a State or in intrastate commerce. As is often the case, it is probably the part of wisdom with this legislation to take the middle course. Applying as it does only to coal shipped in interstate commerce, it is undoubtedly within the jurisdiction of Congress and con-

stitutional. If it attempted to go further and was made to apply to coal after it loses its interstate character, it would be not only of doubtful constitutionality but it would subject Congress to the criticism of interfering with local matters and attempting to regulate what should more properly be left to the States.

It will be well for everyone to bear in mind that the legislation is not going to be a cure-all for all the ills due to a scarcity of coal. The Government can not produce coal by magic or by legislative fiat. The legislation will not make coal where there is none. It will not put coal into the bins of the consumers or supply the shortage due to the lack of production during the five months' strike in both the bituminous and anthracite fields. Neither will it provide railroad transportation. It can only help to keep down the price of the coal that comes within the reach of the consumer and to prevent the public and the consumers from bidding against one another during the scarcity.

After its enactment into law it will still be necessary for the consumers of coal, for a time at least, to economize in the use of it and to use substitutes for it in every way possible.

The proponents of the legislation hope that it will help to keep down the price of coal during the coming fall and winter not only to the big consumers in industry but to the individual domestic consumer as well, but in order to do that it will require the cooperation of the local authorities of the States with the Federal fuel distributor. Section 7 of the bill authorizes the Federal fuel distributor to cooperate with any agency of any State or political subdivision thereof. The importance of that feature of the bill should not be overlooked. Secretary Hoover emphasized it in his testimony before the committee. On page 17 of the hearings he is quoted as follows:

There are, of course, the inherent difficulties in the constitutional questions that make effective control of prices extremely difficult, because even assuming that this legislation can be made effective, there still remains a large field of action that will be required of the State authorities. I am advised that it would be impossible to restrain the price of coal produced for domestic consumption within the boundaries of the State by such action as here provided or any other action that I have yet seen proposed. Likewise it is doubtful whether or not it is possible to restrain speculation and the resale of coal moving in interstate commerce except through the authority of the State governments, and therefore any action taken requires a large measure of cooperation from the State authorities.

The authorities in several of the States are already cooperating with the voluntary Federal fuel distributor. Governor Miller, of New York, has called the legislature of that State together to pass additional legislation which he deems necessary and advisable. Yesterday I read in one of the daily papers this dispatch from Raleigh, N. C.:

RALEIGH, N. C., August 27.—North Carolina's corporation commission, authorized by Governor Morrison to direct the distribution of the State's allotment of coal, will fix a fair retail price for coal to the consumer in this State, and dealers who do not respect such prices will get none of the State's allotment, according to a statement issued by the governor to-day.

The authorities in other States are showing the same willingness to cooperate with the Federal authorities, and it will be necessary for all of them to do so if they are to protect their people from speculators and profiteering jobbers operating wholly within State boundaries.

As was stated by a recent press notice of the Federal fuel distributor:

The legislation before Congress can only control the price of coal moving over State lines—that is, in interstate commerce. The price of coal produced and consumed in a State, together with the charges which wholesalers and retailers within the State may make, the latter including even interstate coal, should be controlled by the State authorities. Therefore there can be no real control of profiteering unless the State authorities act.

I rose chiefly to emphasize the point that this legislation ought to be supplemented by the cooperation of the State authorities in order to protect domestic and other consumers who do not buy their coal directly from the operators, and whose coal is not shipped directly to them in interstate commerce. [Applause.]

Mr. ANDERSON. Mr. Chairman, I offer an amendment as a new paragraph.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will read.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON as a new paragraph:

SECTION 1—

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. Is this an additional paragraph or a substitute?



Mr. ANDERSON. It is an additional paragraph.  
Mr. GRAHAM of Illinois. Then it should be numbered section 2.

Mr. ANDERSON. I think it is properly numbered.

The CHAIRMAN. The numbering can be taken care of subsequently, in any event. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON: Page 2, after line 11, insert a new section, as follows:

"SEC. 2. If the President of the United States shall be of the opinion that he can thereby better meet the emergency, and whenever in his judgment it shall be necessary, he is hereby authorized and empowered to require any or all producers or owners of coal or coke, either in any special area, or in any special coal field, or in the United States, to sell their products, or any part thereof, only to the United States through such an agency as may be designated or created by him, and to make payment of the purchase price thereof to the producers thereof or to the person or persons legally entitled to said payment.

"The price to be paid for such products purchased shall be based upon a fair and just profit over and above the cost of production, including proper maintenance and depletion charges, the reasonableness of such profit, or cost of production, to be determined by such agency as the President may designate. If the price fixed by such agency for any such products purchased by the United States, as hereinbefore described, be unsatisfactory to the person or persons entitled to receive the same, such person or persons shall be paid 75 per cent of the amount so determined and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code. That upon notice from the agency so designated or created by the President to the producer or owner of coal or coke that his or its output or supply or any part thereof is required by the United States, as hereinbefore described, such producer or owner shall thereafter deliver his coal or coke, or such portion thereof as may be required by the United States, only on authority of the agency designated by the President. The President may require any such producer or owner of coal or coke to sell his entire supply or output to the United States, in which case such producer or owner shall upon notice cease shipments of said product upon his own account and transmit to such agency all orders received and unfilled, or partially unfilled, showing the exact extent to which shipments have been made thereon, and thereafter all shipments shall be made only on the authority of the agency designated by the President, and thereafter no such producer or owner shall sell any such product except to the United States through said agency, and said agency alone is hereby authorized and empowered to purchase during the continuance of the requirement the output or supply of such producer or owner.

"The agency designated or created by the President may resell any such coal or coke so purchased under such rules and regulations touching the price, shipment, distribution, apportionment, and storage thereof among or to dealers and consumers as may be necessary to secure an equitable distribution thereof.

"Whenever the President shall find it necessary in order to secure an adequate supply of coal, he is authorized to requisition and take over for use and operation by the Government any mine or other plant in which coal or coke may be produced, manufactured, prepared, mined, or sold, and to operate the same. The United States shall make just compensation, to be determined by the President, for the taking over, use, occupation, and operation by the Government of any such mine or plant, or part thereof. If the compensation so determined be unsatisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined by the President, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per cent, will make up such amount as will be just compensation, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code. The President is authorized to prescribe such regulations as he may deem essential for carrying out the purposes of this section, including the operation of any such mine or plant, or part thereof, the purchase, sale, or other disposition of articles used, manufactured, produced, prepared, or mined therein, and the employment, control, and compensation of employees. Whenever the President shall determine that the further use or operation by the Government of any such mine, or plant, or part thereof, is not essential for the national security or defense the same shall be restored to the person entitled to the possession thereof.

"There is hereby authorized to be appropriated the sum of \$500,000,000, available until expended, for the purposes of this title, including payment of personal services in the District of Columbia and elsewhere. Any moneys received by the United States for the sale of any coal or coke may, in the discretion of the President, be used as a revolving fund for further carrying out the provisions of this title. Any moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts.

"Any person who shall violate or refuse to conform to any order, rule, or regulation issued under the authority of this title shall upon conviction be punished by a fine of not more than \$5,000 or by imprisonment of not more than two years, or both."

The CHAIRMAN. The Chair desires to ask the gentleman from Minnesota if he desires to offer this as a substitute to the bill.

Mr. ANDERSON. No; I am offering it as a separate title after the first section.

The CHAIRMAN. The amendment consists of separate sections separately numbered. The Chair would have to consider the whole as one section following the first section, if that is what the gentleman desires. If that is the case I think the gentleman should modify his amendment in that regard; that is, it should not be subdivided and numbered.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent that the numbering of the paragraphs or sections be corrected by the Clerk so as to make it one section.

The CHAIRMAN. That is, that the numbers be stricken out.  
Mr. ANDERSON. Yes.

Mr. NEWTON of Minnesota. Mr. Chairman, before that is acted upon I want to reserve all points of order on it so as not to waive any rights.

The CHAIRMAN. The amendment will be numbered as section 2 and the subsequent numbers will be stricken out.

Mr. NEWTON of Minnesota. Mr. Chairman, I desire to make a point of order against the amendment as not germane either to the section preceding it in the bill or the section following it, and as not being germane to the bill in its entirety.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. NEWTON of Minnesota. Mr. Chairman, the bill before the House is a bill to provide for the more equitable distribution of coal through a Federal distributor and the Interstate Commerce Commission, with the purpose of controlling it through the distribution of cars. The amendment offered by the gentleman from Minnesota [Mr. ANDERSON] sets up a Government purchasing agency, with capital to enable it to go out into the market and buy and sell coal. This agency is also authorized to commandeer and to requisition coal, and in connection with that power to seize not only coal in transit but at the mines, and to seize the mines themselves. With this agency the Government would resell the coal to the consumer. The subject is entirely different, as the Chair will see, from what the bill is we are now considering. It approaches it from an entirely different angle and sets up an entirely different plan, which is in no wise related to the general purpose of the bill as set forth in the title to the act and as contained in the various sections of the bill.

For that reason it seems clear to me that it violates rule 16, which provides that no motion or proposition on a subject different from that under consideration shall be admitted under color of an amendment. The authorities cited, both in the manual and also in Hinds' Precedents, seem to very clearly sustain the point that here is a different subject matter and that it can not be provided for by way of an amendment. For example, in an instance cited in volume 5 in Hinds' Precedents, section 5891, the bill authorized an investigating committee to investigate as to certain facts. An amendment was offered requesting an accounting on the subject matter by the Executive. The two were held not to be related. Furthermore, in volume 5 in Hinds' Precedents, section 5887, the bill authorized the establishment of a right of way, and an amendment was offered providing for purchase of the land for that right of way, and that was held to be not germane. In other words, it is a different method of going about a certain thing, following a different line, which is held not to be germane.

In section 955 of the Cannon manual—and this decision was made recently—on a ruling made by the Chairman of the Committee of the Whole, the proposition before the House was providing insurance for soldiers during the war upon the payment of premiums as they might become due. An amendment was offered that for two years insurance would be furnished without the necessity of any payment whatever, and that was held by the gentleman from Connecticut, Mr. TILSON, not to be germane.

Another citation in the Cannon manual referred to a ruling in a proposition involving a general increase of pay for Government employees for the year 1918. An amendment was offered making it effective also for a part of the period of 1917. That was held not to be germane. Referring again to the citation in volume 5, section 5887, Hinds' Precedents—I was speaking from mere recollection. The bill then pending authorized a railroad company to construct and operate a railway through certain territory. An amendment authorizing the Government to purchase the franchise rights, and so forth, was offered. The point of order was made that it was not germane, and the Chair—Mr. Speaker Reed, of Maine—said:

The Chair understands the Government does not grant the franchise but simply gives the right of way; it does not give a charter, and the Chair will have to sustain the point of order.

Mr. JONES of Texas. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. JONES of Texas. In connection with the point of order that the gentleman made that it was not germane to the bill, I want to call his attention to section 5, which, after granting certain powers and certain authorizations, says:

and to take any other necessary and appropriate steps for priority in car service and for the equitable distribution of coal or other fuel so as best to meet the emergency, prevent extortion in prices charged for coal and other fuel, and promote the general welfare.

After authorizing the embargo and a number of other specific things it has a general provision that you can take any other



proper steps. Suppose they found that it would be necessary to establish a selling agency; there would be an intimation there which would make this special legislation which the gentleman from Minnesota offers germane, that is, taking the necessary steps for the general welfare. I know that there are some specific designations in it, but there is a general provision.

Mr. NEWTON of Minnesota. The Interstate Commerce Commission is directed to receive and consider recommendations from the distributor and in its discretion to issue such order or orders for priority in car service, embargoes, and other suitable measures.

Mr. JONES of Texas. Go ahead and read the rest of it.

Mr. NEWTON of Minnesota (reading)—

in favor of or against any carrier or region, municipality, community, person, copartnership or corporation—

Priority or embargoes in favor of or against.

Mr. JONES of Texas. Those are the specific matters; following that you have a general authority—

and to take any other necessary and appropriate steps for priority in car service and for the equitable distribution of coal and other fuel so as best to meet the emergency, prevent extortion, etc.

Mr. NEWTON of Minnesota. The entire section applies to priorities and embargoes to be issued by the Interstate Commerce Commission.

Mr. JONES of Texas. You have a specific recommendation for the specific thing you mention, and you follow it with a general authority.

Mr. SANDERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. SANDERS of Indiana. That expression—

to take any other necessary and appropriate steps—

being used with a number of other specific things relating to the same thing, the natural legislative construction would mean, I suppose, of a similar nature.

Mr. NEWTON of Minnesota. Exactly. The gentleman has stated it most accurately.

Mr. JONES of Texas. If it said "any other steps" and ended there, well and good, but it says "any other steps necessary for the equitable distribution of coal and the prevention of extortion." It might be necessary and appropriate to take steps along the line suggested by the gentleman from Minnesota in order to secure equitable distribution and promote the general welfare and prevent extortion. If it should be found that would be proper, at least it would justify the offering of an amendment further specifying particular acts in addition to the one mentioned.

Mr. ANDERSON. Mr. Chairman, I am quite willing to accept the statement of my colleague that this is a bill for the more equitable distribution of coal. I call the attention of the Chair to the fact, in the first place, that this is a piece of general legislation and that the rule of germaneness is usually applied with greater liberality to bills proposing general legislation than to appropriation bills or bills raising revenue. I call the attention of the Chair to the very general character of this legislation. It starts out by setting up what the committee evidently conceives to be a very great emergency. It sets forth that this emergency endangers the public health and the general welfare of the people of the United States, injures industry and business generally throughout the United States, causes extortion, limits the supply of heat, light, and power, threatens to obstruct and hamper the operations of the Government of the United States and of its several departments, the transportation of the mails, the operation and efficiency of the Army and the Navy, and the operation of carriers engaged in commerce among the several States and with foreign countries. Can it be possible, in the face of an emergency such as this, which the committee itself sets forth so eloquently, that the House is limited in dealing with the emergency to the particular method which the committee proposes? It seems to me that the question asked of my colleague by the gentleman from Texas [Mr. JONES] with respect to the language of section 5 is particularly pertinent, and I want to call the attention of the Chair to the fact that the committee itself has adopted language by an amendment to this section which negatives the very view which the gentleman from Minnesota takes. As the section was introduced it provided—

and to take any other necessary or appropriate steps for priority in car service and in equitable distribution of coal.

The committee has amended that so as to make it read:

For priority in car service and for the equitable distribution of coal or other fuel so as best to meet the emergency, prevent extortion in prices charged for coal and other fuel, and promote the general welfare.

The language which the committee itself adopts clearly negatives the idea that this bill was intended to deal with this situation by one method—that is, by the method of issuing priority orders—because the language of this section clearly contemplates that the Interstate Commerce Commission may deal with the situation by other methods. It might be contended that if this bill did provide that but one method, namely, the issuance of priority orders, should be used to meet the emergency that it would not be germane to provide an additional method, but the language of the bill itself does not contemplate that the commission shall be limited to the single method of issuing priority orders. It clearly contemplates that additional action shall be taken in some form, such form apparently as the commission itself may determine, to carry forward through the various stages of distribution the action which the commission may take.

My contention is this, that this is a general bill, not limited to dealing with this situation by one method, but proposing general authority by which the emergency shall be met, and that it is germane to a bill providing general authority for the meeting of this emergency to provide some additional authority for meeting it.

Mr. GRAHAM of Illinois. Mr. Chairman, I shall not burden the Chair with any extended discussion. In the consideration of this matter I think the Chair should have in mind, and no doubt he has in mind, this question: Is the subject matter of the proposed amendment germane to the subject matter and the object sought to be attained by the original bill? I do not at all think that a fair consideration of the substitute and the original bill will bring to the thoughtful mind the idea that they aim at the same purpose. What is the purpose to be attained by the original bill? Is it to get coal, to acquire coal, to sell coal? The only object to be attained by this is to distribute coal, and to get it to the various parts of the country, and in order to distribute it certain machinery is erected which has no other function and no other power except the function of distributing. What does the amendment seek to do? In the first clause it provides that the President is authorized, if in his judgment it is necessary, to require the producers of coal to sell their products only to the United States and through an agency set up by the United States. If, as set out in the succeeding sections of the amendment, they do not do so, he can then by certain proceedings take over those mines, pay for them, or, if he can not settle with them, give them the right to recover against the United States some portion of the value of their property itself which is taken over, and he can then sell direct to the people of the United States the product of the mines. What is that scheme? It is a scheme of purchase and sale of an entirely different nature than that proposed in the bill. It is, in other words, Government operation, Government ownership, Government acquisition. How far removed is that from the plan contemplated in the original bill, which contemplates private ownership and private operation, only controlled by the Government itself. So that the two subject matters are as far distinguished as is the North and the South Pole. One is regulation, the other is operation, and assuredly they can not be held to be germane.

Mr. ROSENBLOOM. Will the gentleman yield? Is it not a fact that section 5 gives the Interstate Commerce Commission the very rights that are asked for by the amendment?

Mr. GRAHAM of Illinois. Now, look at section 5 sensibly and reasonably. Having in mind the title of the bill, having in mind its general purposes, what does the section authorize the Interstate Commerce Commission to do?

Mr. ROSENBLOOM. I would like to give you my view of it. It gives every right of purchasing the mines and operating them, and fixing the wage of the miners, and everything connected with the mine.

Mr. GRAHAM of Illinois. Now, if the gentleman has finished, I will attempt to finish what I have to say.

Section 5 of the bill provides this: That the Interstate Commerce Commission is authorized and directed to receive the report of the distributor, and, in its discretion, to do what? Mind you, the reports are about the distribution of coal and the recommendations are about the distribution of coal. Now, what is the Interstate Commerce Commission to do? It issues such orders for such priority in car service, embargo, and other suitable measures in favor of or against any carrier or region, municipality, community, copartnership, or corporation, and to take any other necessary and appropriate steps for priority in car service and for the equitable distribution of coal. In other words, it may take any necessary steps to distribute coal; not to buy and sell it, or to own the coal mines, but to distribute coal. It seems so evident that I can not see how any strong contention can be urged that it is germane. The gentleman



from Minnesota [Mr. ANDERSON] says, "Can not Congress do this?" Surely Congress can do it if an emergency justifies, but not as an amendment to this bill on a different subject.

Mr. JONES of Texas. Mr. Chairman, it seems to me when the gentleman discusses the question of the distribution of coal a natural incident would be a provision to buy and sell. There are distributing agencies all over the country. There are coal agencies in my town, for instance, that distribute coal. But there is not one of them that does not find it necessary in order to carry out the business of distribution to purchase and sell coal. In fact, it is about the only way they can distribute coal. It is true that one of the powers conferred by this bill is priority in the distribution of cars. But the measure does not stop there. It goes further and grants full power to take any steps necessary in the distribution of coal. Now, if they found that the only practical way to secure the adequate, necessary, and appropriate distribution of coal was to purchase and sell the coal, it seems to me that would be a logical corollary of the proposition of distributing coal. But aside from that proposition, it does not end there.

There are provisions in section 5 which confer not only the privilege of granting priority in the shipment of cars but which go ahead and designate some four or five different specific things that the Interstate Commerce Commission is authorized to do, and then follows that with the blanket provision which says that the commission is authorized to take any other necessary and appropriate steps for priority in car service and the equitable distribution of coal or other fuel, so as to best meet the emergency. Now, suppose they should come to the conclusion that they could best meet the emergency in the distribution of coal by buying and selling that coal. Most assuredly, there is general power granted there.

The gentleman from Minnesota [Mr. ANDERSON] undertakes to provide the machinery for the exercise of that general power. He simply authorizes the establishment of the necessary machinery for the full carrying out of the general powers that are granted there, not only so as to best meet the emergency but also prevent extortion in prices charged for coal and other fuel and to promote the general welfare. It does not seem to me that language could be secured that would be broader or more general in its terms than that provision following the specific grant. There are four or five specific grants in the first part of this paragraph, followed by a general provision that any other necessary or appropriate steps for the equitable distribution of coal so as to meet the emergency, prevent extortion in price, and promote the general welfare. That is a general grant of power. It seems to me that it would be logical and germane to specify the machinery to carry out that general power. I am not undertaking to discuss the merits of the proposed amendment, but am confining my remarks to the question of the gentleman's parliamentary right to offer the amendment.

Mr. HUSTED. Mr. Chairman, this bill provides for the production, transportation, and distribution of coal. There is not a word in the bill about the purchase of coal; not a word in the bill about governmental control or operation of mines. It is perfectly apparent from a mere casual reading of the bill that the purchase of coal by the Government, that the operation and control of mines by the Government, are not contemplated by this measure. If you hold this amendment in order as germane under the language of section 5, if you hold that you can provide additional methods of distribution through the purchase of coal or the governmental operation and control of mines, then you are going to read into this legislation something that was never contemplated by its language. If you do it, you are going to stretch parliamentary precedents to an extent to which they have never been stretched before in this House during my experience.

Mr. ANDERSON. Of course, if it was in the bill I would not be offering the amendment.

Mr. HUSTED. Of course, that is perfectly true. But it is not contemplated by the bill. It is something entirely different. It is a new subject of legislation, entirely distinct from the matters under consideration. Now, section 5 provides that the Interstate Commerce Commission may take any other necessary and appropriate steps—for what? For priority in car service and for the equitable distribution of coal.

That section says nothing about the purchase of coal by the Government, it says nothing whatever about governmental operation and control of mines. The language of that section simply means that the Interstate Commerce Commission may take any other necessary or incidental steps within the authority of law to accomplish the general purpose set forth in the bill. Those purposes are the production, transportation, and distribution of coal. They are not the purchase of coal. They are not the operation of coal mines by the Government.

They are something entirely distinct and something entirely separate; and if you uphold this amendment you will override the whole purpose and you will subvert the entire scheme of this legislation.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. JONES of Texas. In the ordinary business transactions of this country is not the purchase and sale of coal the most usual method of distribution?

Mr. HUSTED. That is not provided for in the bill.

Mr. JONES of Texas. I am talking about the usual procedure or practice.

Mr. SNELL. Mr. Chairman, I wish to speak for only just a moment on this point of order. I think this case is on all fours with the case on which a decision was rendered by the gentleman from Connecticut [Mr. TILSON], as chairman of the Committee of the Whole, on September 13, 1919. The amendment offered by the gentleman from Minnesota proposes an entirely new way. It is exactly the same proposition as if we were providing insurance for soldiers, where the original bill provided for the payment by the soldiers of the premium and an amendment was offered to give those premiums to the soldiers and that amendment was ruled out of order. This amendment is exactly the same proposition that was before us at that time. It is an attempt to accomplish a result by an entirely new method, and the point of order should be sustained.

The CHAIRMAN. The Chair is ready to rule. The provision of our rules which is to be interpreted in this case is as follows:

No motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

"No motion or proposition on a subject different shall be considered germane." There have been many Speakers that have held that merely because an amendment offered referred to a particular subject that was under consideration in the bill did not necessarily make it germane. For instance, in the consideration of the food control law several provisions regarding the purposes for which food might be used were offered. One prohibited the use of any food substance for the purpose of manufacturing liquor. That was ruled out of order by the Chair as not being germane. So that merely because the matter here relates to coal would not bring it within the rule as germane, as that requirement has been interpreted by prior occupants of the chair.

The provision of the bill under consideration is for regulation regarding the transportation of coal. The object and purpose of it is to prevent if possible extortionate charges and to see that there is an equitable distribution of coal. I do not know how far it would be proper to go as considering an extortionate charge a part of transportation, but that has nothing whatever to do with the question under consideration. The subject and object and purpose of the bill is that which relates to the transportation of coal.

Now we have an amendment offered by the gentleman from Minnesota stating that if the emergency which is referred to in the bill under consideration exists or is shown to exist, then for purposes specified the President shall have power virtually to take over the mines and run them, because the requirement that the output of the mines be sold only to the Government is equivalent to taking over the mines and the operation of them by the Government. It would have no other foundation under the Constitution except that which would exist under the right of eminent domain, so that we really have under consideration a proposition here of whether or not it is germane within the rules to offer an amendment involving the proposition that the Government shall take over and operate the mines; whether such an amendment shall be considered as germane to a bill regulating the transportation of coal in interstate commerce. I do not think there can be any question under the authorities that such an amendment is not germane.

I want to call attention in this connection to a decision which was rendered a good many years ago, in 1898. This is the statement, and that is sufficient, I think, to indicate the full extent of it:

To a bill granting a right of way to a railroad an amendment providing for the purchase of the railroad by the Government was held not to be germane.

It seems to me that that is very nearly analogous to the case that we have before us to-day. "To a provision granting a right of way to a railroad an amendment was offered providing for the purchase of the railroad." Here we have a bill for the transportation of coal, to which is offered an amendment for the purchase, sale, and distribution of coal. Taking over and operating the mines would practically be



the effect. It seems to me that decision would be pertinent to the question now under consideration. Let me also call attention to a case that is numbered 5891 in the fifth volume of Hinds' Precedents:

To a proposition for the appointment of a select committee to investigate a certain subject, an amendment proposing an inquiry of the Executive on that subject was held not to be germane.

Here we have a proposition for the control of interstate commerce by the Interstate Commerce Commission. To that is offered an amendment proposing that the President shall take charge of the entire matter, not only controlling the transportation but the production and sale of the coal. I think, also, that the case cited by the gentleman from New York [Mr. SNELL], citing the decision of Colonel Tilton, is directly in point, so that the Chair rules that the point of order is well taken and the amendment is held not to be germane.

Mr. SANDERS of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk read as follows:

Amendment offered by Mr. SANDERS of Indiana: Strike out all after the enacting clause, all the first section, and insert in lieu thereof the following:

"SECTION 1. That by reason of the shortage in coal and railroad equipment and in order that the Interstate Commerce Commission may have adequate information concerning the fuel situation, the President is authorized for a period of one year from the date this act takes effect to appoint a Federal fuel distributor and fix his compensation. He shall perform his duties under the authority and direction of the President. It shall be the duty of the Federal fuel distributor to ascertain (a) the available supply of coal and whether there exists within the United States or any part thereof a shortage or impending shortage of coal or other fuel and the extent of such shortage; (b) the fields of production of coal and other fuel and the principal markets to which such production is or may be transported and distributed and the means and methods of distribution thereat; (c) the kind and location of the consumers; and (d) whether persons, firms, corporations, regions, municipalities, or communities should receive priority in transportation and distribution, and the degree thereof, and any other facts relating to the transportation and distribution of coal and other fuel; and when so ascertained the Federal fuel distributor shall make appropriate recommendations pertaining thereto to the Interstate Commerce Commission from time to time either on his own motion or upon request of the commission, to the end that an equitable distribution of coal and other fuel may be secured so as best to meet the emergency and promote the general welfare.

"SEC. 2. The Federal fuel distributor may make such rules, regulations, and orders as he may deem necessary to carry out the duties imposed upon him by this act and may cooperate with any department or agency of the Government, any State, Territory, district, or possession, or department, agency, or political subdivision thereof, or any person or persons, and may avail himself of the advice and assistance of any department, commission, or board of the Government, and may appoint or create any agent or agency to facilitate the power and authority herein conferred upon him; and he shall have the power to appoint, remove, and fix the compensation of such assistants and employees, not in conflict with existing laws, and make such expenditures for rent, printing, telegrams, telephones, furniture, stationery, office equipment, travel, and other operating expenses as shall be necessary for the due and effective administration of this act. All facts, data, and records relating to the production, supply, distribution, and transportation of coal and other fuel in the possession of any commission, board, agency, or department of the Government shall at all times be available to the Federal fuel distributor and the Interstate Commerce Commission, and the person having custody of such facts, data, and records shall furnish the same promptly to the Federal fuel distributor or his duly authorized agent or to the commission on request therefor.

"SEC. 3. Until the President shall determine that the shortage of coal and lack of sufficient car service no longer exists and makes proclamation thereof the provisions of paragraph 12 of section 1 of the interstate commerce act shall not be effective.

"SEC. 4. Every person or corporation, whether carrier or shipper, who shall knowingly offer, grant, or give, or solicit, accept, or receive any concession or discrimination in respect of car service, as the same is defined in paragraph 10 of section 1 of the interstate commerce act, in violation of any order, direction, or rule of the Interstate Commerce Commission in respect thereto, or who shall by any willful misrepresentation or by any fraudulent device or means whatsoever, procure or cause to be issued any order or direction for priority under said act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$1,000 nor more than \$20,000, or imprisonment for a term of not exceeding two years, or both such fine and imprisonment.

"SEC. 5. There is hereby authorized to be appropriated the sum of \$250,000, available until expended, for the purposes of this act, including payment of personal services in the District of Columbia and elsewhere, and all expenses incident to organizing the Federal fuel distribution, and not exceeding \$50,000 thereof shall be available for reimbursement and payment upon specific approval of the President of expenses incurred since May 15, 1922, in connection with the matters embraced in the title of this act under authority of the President."

Mr. SANDERS of Indiana. Mr. Chairman, I offer this amendment as a substitute for the first section, with notice that I will move to strike out the succeeding sections as they are read.

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes.

Mr. SANDERS of Indiana. Mr. Chairman, during general debate I discussed the proposed amendment, and I shall not ask the indulgence of the House to speak over five or six minutes on the amendment to-day.

I should like to have, if I may, the attention of the members of the committee who favor the bill as it is, in order that in discussing this amendment I may call their attention to what I regard as a vital defect in the bill as it is drawn, so far as distribution is concerned.

We have a special section of the old interstate commerce act, which is now in force and effect, which reads as follows:

It shall also be the duty of every carrier by railroad to make just and reasonable distribution of cars for transportation of coal among the coal mines served by it, whether located upon its line or lines or customarily dependent upon it for car supply. During any period when the supply of cars available for such service does not equal the requirements of such mines it shall be the duty of the carrier to maintain and apply just and reasonable ratings of such mines and to count each and every car furnished to or used by any such mine for transportation of coal against the mine.

In other words, we have a specific provision in the act as it now exists which requires the Interstate Commerce Commission to give to all the coal mines an equal priority distribution of cars. This measure as it is drawn at present says that it shall not repeal any section of the law, but shall be supplemental thereto. It deals with coal and other fuel. Therefore by any sort of construction that provision would still be in force and effect, and would make the plan of distribution unenforceable so far as coal is concerned.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. SANDERS of Indiana. If the gentleman will get me more time.

Mr. NEWTON of Minnesota. I shall be very glad to assist the gentleman to get more time. I want to call the attention of the gentleman to subdivision 15, which is on page 13 of the act, wherein it is provided that the commission can set aside its rules and regulations, including the provisions made under subdivision 12.

Mr. SANDERS of Indiana. Will the gentleman read the language where it says that it may set aside subdivision 12?

Mr. NEWTON of Minnesota. It says:

Whenever the commission is of opinion that shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists in any section of the country, the commission shall have and is hereby given authority, either upon complaint or upon its own initiative without complaint, at once, if it so orders, without answer or other formal pleading by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the commission may determine: (a) To suspend the operation of any or all rules, regulations, or practices then established with respect to car service for such time as may be determined by the commission.

Mr. SANDERS of Indiana. I am very familiar with that section.

Mr. NEWTON of Minnesota. Now, the United States Circuit Court of Appeals in the case of Baltimore & Ohio Railway Co. v. Lambert Run Coal Co., 267 Federal Reporter, page 776, held that that gave it the power to suspend the provisions of subdivision 12.

Mr. SANDERS of Indiana. Assuming that the court correctly decided the law, if it has been held that that gives them the power to suspend it, that criticism would not be directed to this bill; but in the amendment that I have offered I specifically provide that that section shall not be in effect during the emergency.

The amendment which I propose here gives the right to create this Federal Fuel Administration, and gives it all of the powers that the original act gives to the administration, and gives the administration the right to make the recommendations to the Interstate Commerce Commission. The Interstate Commerce Commission under the existing law has all the power and authority, so far as distribution is concerned, so far as sending coal into any section is concerned, so far as priority is concerned, so far as embargoes are concerned, except that we do not in the existing law give the power to issue embargoes against individuals and corporations for the purpose of preventing them from shipping coal because they charge prices which the commission deems excessive. So that this amendment presents squarely to the House the proposition as to whether or not you want to favor the price-fixing provisions of this bill. In voting for the amendment which I have proposed you have the opportunity to give everything that this measure gives except the arbitrary power to prevent shipments in commerce of any coal which the commission thinks is of excessive price.

In the amendment I offer I am excluding from its provisions the power of the Federal Government to say to any individual who ships coal or any other of the numerous articles of fuel, "You can not ship because this department of the Government thinks you are charging too much for your commodity."



Mr. HOCH. The gentleman's substitute gives to the Interstate Commerce Commission no power in the matter of distribution which it does not now have?

Mr. SANDERS of Indiana. It does not.

Mr. HOCH. That, I understand, is the purpose of the gentleman's substitute?

Mr. SANDERS of Indiana. The purpose of the amendment is simply to afford an agency which is not in the Interstate Commerce Commission to obtain a comprehensive grasp upon the fuel situation, to know all of the facts, to make all investigations, to know where to use the priorities, the right to distribute, the right to lay embargoes, the right to send coal into Minnesota if it is needed, and the right to send it to the Lake regions if it is needed, or the right to send it to New York if it is needed there. All of the powers authorized for distribution provided for in this bill proposed here are provisions which have for their purpose the issuing of an embargo against individuals who propose to ship coal at what the commission regards as an excessive price.

I strike out of the bill what I regard as the worst feature in any bill ever proposed in this House—to prevent people shipping in interstate commerce and fixing the price of a commodity. Because if you can fix the price of oil and coal and other fuel, you can fix the price of farm products, you can fix the price of boots and shoes in Massachusetts, you can fix the price of cotton in the South, and every other product. If you enter into that field you open the door for the whole question of price fixing. As conditions change people, those who regard themselves as consumers, will gradually organize against the producing region, because they are always in the majority, and fix the price of one commodity and then another and then another, and we will always be confronted with the proposition of fixing prices of commodities by legislation, and we will undertake to do away with the law of supply and demand. I do not think it is a good legislative policy. [Applause.]

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, if you have made up your minds that you want to pass an emasculated edition of this bill, which does nothing and gets nowhere, I advise you to vote for the Sanders amendment, which is as innocuous as anything can be. It does absolutely nothing but what the law now does. In many essential particulars he has eradicated thoroughly the thing that the American people would like to find out about the coal industry at the present time—why they are paying such extortionate prices and why there is such an inequitable distribution. He is undertaking to take away from the people the power that they have or might have under this act.

Look at it. I have the amendment in my hand. It authorizes a Federal fuel distributor. What shall he do? He finds certain facts and reports them to the Interstate Commerce Commission. What shall they do? Section 5 in the bill gives the Interstate Commerce Commission the power to act on these recommendations. The Sanders amendment has eradicated that provision.

So in the gentleman's amendment there is no power given to the Interstate Commerce Commission at all. He has simply appointed a new officer, who is to gather facts and report them to the Interstate Commerce Commission, and the Interstate Commerce Commission has exactly the same power that it has to-day. If I am wrong, let me challenge him now to deny it.

Mr. SANDERS of Indiana. Does the gentleman think that we have put in a new law a provision giving the Interstate Commerce Commission the power to use priority embargoes which they already have under existing law?

Mr. GRAHAM of Illinois. If they have the power to-day to do these things, why is the gentleman objecting to these provisions, which more clearly state it?

Mr. DUNBAR. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will later if I have the time. I want to call attention to the penalty clause. Look at section 10 of the amended bill. Now, the gentleman goes along with the penalty clause until he comes to the italicized portion of the line, page 7, and then he stops. That is the provision that gets the middleman, the fellow who kites the price of coal, and then he strikes that out. He not only strikes that out but the proviso that you find in section 10. What is it? The first part of the penalty clause is aimed at the corporation or the person in the way of a fine. You can not send a corporation to the penitentiary. The second part contains the provision for the punishment of the individual member of the corporation, but he cuts that out.

Mr. SANDERS of Indiana. Will the gentleman yield? The imprisonment is taken out of that section and put into the first section.

Mr. GRAHAM of Illinois. There is not a word in the amendment of the gentleman from Indiana that authorizes any court to send a man to the penitentiary or jail if he violates any orders. Now, there is a way to get at the corporation by fine. This is done for a purpose. Let me tell you gentlemen of the committee that the whole trouble about this proposition from the first has been because the Government and the people of the United States can not find out the facts about the coal industry. The National Coal Association, composed of over 50 per cent of the coal producers of the United States, have willfully and persistently prevented the United States from acquiring that information. Recently when the Federal Trade Commission wanted to get information this National Coal Association brought injunction proceedings against them in the District of Columbia courts and enjoined them from getting it as to the cost of production and distribution. This same National Coal Association, or those who control it, after having enjoined the Federal Trade Commission from getting the information went into the State of Indiana and on an entirely different pretense enjoined the State authorities of the State of Indiana from getting similar information.

Mr. VAILE. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. VAILE. Why did we pass a fact-finding commission bill the other day? Do we need another one now?

Mr. GRAHAM of Illinois. We passed a fact-finding commission bill which it will take some time to get into operation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GRAHAM of Illinois. We passed a bill authorizing the commission to find facts. It will take them some time to find those facts. Why were they to find the facts? They were to find them for the advice of Congress, so that we might legislate, if we thought proper.

Mr. VAILE. Are they going to find them any faster under this bill?

Mr. GRAHAM of Illinois. In this we set up a Federal fuel distributor, and he can take action from such facts as are within his possession, make necessary recommendations to the Interstate Commerce Commission, and it can act promptly in this emergency, whereas if you have to wait for the Congress to legislate as the result of information which comes to it from the fact-finding commission, you will not do anything to help out in this crisis. The thing we are trying to get at this time is action.

Mr. SANDERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. SANDERS of Indiana. In the last portion of section 4 of the amendment which I propose, the gentleman will find this language:

shall be deemed guilty of a misdemeanor, and upon the conviction thereof shall be punished by a fine of not less than \$1,000 or more than \$20,000, or imprisonment for a term of not exceeding two years, or both such fine and imprisonment.

Mr. GRAHAM of Illinois. Yes; but let us read the whole section:

Every person or corporation, whether carrier or shipper, who shall knowingly offer, grant, or give, or submit, accept, or receive any concession or discrimination in respect to car service as the same is defined in paragraph 10 of section 1 of the interstate commerce act, in violation of any order, direction, or rule of the Interstate Commerce Commission in respect thereto, or who shall by any willful misrepresentation or by any fraudulent device or means whatsoever procure or cause to be procured any order or direction for priority under said act, shall be deemed guilty of a misdemeanor, etc.

So far as that is concerned, you leave out the real language of the section, which is in the italicized portion in the bill now before the House, viz, to get at the fellow that gets the coal and raises the price on the people, and that man you do not touch by your amendment. It is along the same line that has been followed consistently by the majority at least of those who operate these great mines of the country in which they do not pretend or propose to let the people of the United States know the facts about this industry.

Mr. Chairman, we ought to put some teeth in this proposition. Let us not pass some foolishly innocuous thing that gets us nowhere. Let us try to do something, at least. As I have heretofore stated, if we pass the original bill, it has some



sort of teeth in it, it gets somewhere, and I contend, and I think I contend rightfully, that there ought to be power in the people of the United States in this emergency or in any other emergency to control extortion in the United States in such a necessary thing as coal, and if that is the issue we might as well meet it now. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 36, noes 76.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Because of such emergency and to assure an adequate supply and an equitable distribution of coal and other fuel, and to facilitate the movement thereof between the several States and with foreign countries, to supply the Army and Navy, the Government of the United States and its several departments, and carriers engaged in interstate commerce with the same during such emergency, and for other purposes, the President shall appoint a Federal fuel distributor and fix his compensation. He shall perform his duties under the authority and direction of the President.

With the following committee amendment:

Page 2, line 20, strike out the word "He" and insert the words "Said distributor."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. DENISON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. DENISON: Page 2, line 19, after the word "appoint," insert a comma and the words "by and with the advice and consent of the Senate."

Mr. DENISON. Mr. Chairman, I want to say only a word. I do not think there could be any more important official under our Government than the man who is to be appointed fuel distributor if this bill becomes a law. He will have absolute and dictatorial powers practically over one of the greatest industries of the country. Here is a proposition to authorize the President to appoint a man with that extraordinary power, and the usual provision is not included in the bill that his appointment shall be made by and with the advice and consent of the Senate. There is nobody in this House who has any more respect for or confidence in the President than I; but I do not think we ought to pass any law authorizing the President to appoint this kind of an official without the usual provision for confirmation as contemplated by the Constitution in important offices of this kind. It will be a kindness to the President to do this. I think it will protect him in the future. If this official is approved and confirmed by the Senate, it will in my judgment in a short time at least help to save the President from a great deal of improper criticism. In my judgment you will be doing the President a kindness to put this provision in the bill. We have a provision of law which requires the appointment of small postmasters to be made by and with the advice and consent of the Senate; and the other day we passed a bill providing for the appointment of a commission to make merely an investigation of the coal industry, a fact-finding commission. In that we took the precaution to provide, as I remember, that those officials should be appointed by the President with the advice and consent of the Senate. I do not see why we can not take that same precaution in this bill which provides for the appointment of an official who will have so much greater power and responsibility. I think it is a bad precedent to pass a bill of this kind appointing an officer of this power without that precaution. It think it would be a kindness to the President and save him future criticism.

Mr. WINSLOW. Mr. Chairman, the gentleman's suggestion to my nostrils is redolent of the idea of hope of delay in getting this legislation into action. Nobody would object to having the Senate pass on the appointment of this man, but if there is anything at all about this legislation that is worth while, it is prompt action in the way of putting it into operation. We hold our breath at the other end of the Capitol in high esteem, but even though of the same general family we realize that at times they are not any quicker than lightning itself, and we do not want to run the risk of monkeying this up by having some political business perhaps mature and ripen about the time the appointment goes to the Senate from the President, and having the whole thing set aside. At worst we hope that this will be a matter of only a few months; at best we hope that it will be a matter of weeks.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. STAFFORD. Has the gentleman noticed the newspaper account that the Senate will adjourn shortly after the passage of the bonus bill and the coal regulatory bills? If that is a

fact, the President not being able to appoint until these bills are passed by both Houses, it would naturally hold up the activity of this fuel distributor if he is to be appointed with the consent and advice of the Senate.

Mr. WINSLOW. That is one of many possible reasons why we should avoid all features which might cause delay. The point is, we want to get it through. If it is worth having at all, we want it at the earliest possible moment. The whole business centers around the President of the United States as an emergency. To pass the bill and then put it in a pocket, where it may not be taken out until the whim of somebody or another permits it, and so delay the operation of the legislation, would be most unfortunate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DENISON].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. DENISON. Mr. Chairman, I would like to have a division on that.

The committee divided, and there were—ayes 17, noes 80.

So the amendment was rejected.

Mr. CLARKE of New York. Mr. Chairman, I move to strike out the last two words. I ask unanimous consent to address the House for 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to address the House for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CLARKE of New York. Mr. Chairman and gentlemen, I have listened loud and long to the arguments pro and con in connection with this bill; to the recitals of facts and fiction; to the statements regarding conditions, and have heard pointed out the necessity for more laws when the evidence and facts submitted and the necessity of the hour points to the fact that we are suffering from an overdose of weak and ineffective laws or we would not be in the situation we are now in. I shall support this bill only as an emergency step.

Being a new Member and unfamiliar with the exact status and application of the various laws, of the different governmental agencies, of the multitudinous variety of boards, of the information in facts and figures now safely sleeping in the 57 different varieties of bureaus and agencies grown into a great bureaucracy, but admittedly of no account, I have sought to discover where we are nationally; I have, through faithful attendance at the daily sessions and attentively listening to the discussions, and at the hearings before the Interstate and Foreign Commerce Committee, sought to learn the present status of the different elements that go to make up the situation we are now in, and my hasty impressions—and what are my impressions must be the impressions of the great third party in all disputes between organized capital and organized labor, the unorganized public—are as follows:

1. An extreme crisis now confronts us in coal mining.
2. An extremely critical situation confronts us with the railroads.
3. There is no present law or agency of Government that can reach out its strong arm to effectually intervene.
4. It has been found necessary to pass—

(a) The Winslow fact-finding law.

(b) It has been found necessary to try and add temporarily to the power and authority of the Interstate Commerce Commission through the bill now before the House.

We unsophisticated people wonder why it is necessary to take so many bites at the cherry. The great majority of our people, with only average minds like my own, have learned through the stress of war to look to the Federal Government to meet any critical situation. Our present difficulties are largely a war heritage, the result of weakness and vacillation in high places, and in this publicly declared national emergency the people are looking to the Congress, neither in a mood to brook delay nor to stand for technical objections. We have heard some of our leaders admit lukewarmness for this bill, with no other in sight, and I can hear the cry of the people, "How long, oh Lord; how long!" [Applause.]

We have listened to the President's recital of the futility and failure of his painstaking, carefully considered, honest efforts to bring organized capital and organized labor together, both in the railroad world and in the coal industry. Suffering, deprivation, lawlessness, anarchy, and murder have left their unwholesome trail in these struggles. It seems to me in the light of such experiences it is time for the Congress to get busy, not with temporary expedients alone, but with a larger, constructive, permanent measure. The great American public is looking to the Congress to squarely meet the issue as to whether these great contests between organized capital on the one side and organized labor on the other are going to be al-



lowed to continue to run their rampant courses, irrespective of law and order and utterly oblivious of the great unorganized public, the third party in issue. [Applause.]

The history and record of organized capital is far from a pleasant one to contemplate. Far too often it has been characterized by utter disregard of law, by selfishness, by avarice and cunning, by trickery and device, by trying to get the best of organized labor at all hazards, and because of these acts, repeated over and over, it has been found necessary more and more to bring its actions under the rules of law and order and common honesty and decency. Organized labor, too, has suffered from its extremists and radicals, and the time has now come when, in order to preserve the great good that has been wrought through organization, organized labor itself must cooperate in placing itself under the law.

It seems to me that with legislation to meet these emergencies passed, our great far-seeing leaders, familiar with all that has passed, in the light of experience should address themselves seriously and continuously to the highly patriotic task of wiping off from our statute books all the weak and ineffective laws that now cumber them, the laws that serve as a basis for the rearing of impossible labor boards and other governmental agencies that have not stood the acid test of these times, and in their places, that shall know them no more, should be reared a strong, full-powered, mediatorial court that can meet such emergencies and situations.

It is true that many if not most of the strikes and lock-outs occur before the matters in dispute have been thoroughly threshed out. Even the present controversies in the railroad and coal fields find the matters now in issue far afield from the original declarations of both sides. As a first step in the settlement of any dispute or controversy we need an accurate and impartial statement of the facts—that is, the questions of labor, of costs, of living conditions, of rights properly accruing to the older employees, and so forth; of the policies of the employers; and we must give to such mediatorial court that we should rear at this time such full and complete authority that this court can examine books, summon witnesses and compel them to testify under oath, that can call in the officers of all organizations, incorporated or not, and individual employees, that can compel all organizations to keep their books and records of receipts and disbursements in such a way that an examination will reveal the entire history of money received and disbursed; of those employed directly or indirectly; and the failure to keep such records and to furnish them to the Government should be made a crime and personal punishment meted out on conviction, not alone a fine but by imprisonment as well, for it is vitally necessary that the Government should have all the facts in order to render justice to all.

Many of our American States have provided laws and reared agencies of public investigation, mediation, and arbitration in labor disputes; and no one has studied the records of the agencies in these States but what will admit there have been substantial and lasting results, especially through mediation.

In Massachusetts, for instance, their board is obliged by law to offer mediation when notified by either party or by local authorities, and in many cases this board intervenes as a matter of course.

In New York the law requires that some officer or agent shall proceed promptly to any locality where there is a dispute or controversy and seek by mediation to effect an amicable settlement of the controversy. Ohio has a similar law, and good results have been obtained.

If it is not necessary, and controversies and disputes can be settled, the Government should retain, unpublished, the results of investigation; nor should the Government in any controversy seek to assign the blame. Let it give to the general public the facts in any dispute that can not be settled through mediation or conciliation, and it can rest assured that the judgment of the people will correctly appraise those facts.

Mr. BLACK. Will the gentleman yield?

Mr. CLARKE of New York. I can not yield just now. When I get through I will be glad to do so.

The rights of men and women to organize to better their conditions or to bargain collectively are fundamental rights, and the Congress should not seek to intervene, abridge, or try to hinder same. The right to strike is not in issue, but there are certain fundamentals that must be instilled into all our minds. We must guarantee to everyone the right to work or not to work, as they choose, but the right of anyone to labor when there is some one willing to employ him or her at an agreed price is as much a sacred right, to be backed up by the full strength of our Government, as any right. [Applause.]

We should write a new law that rears this mediatorial court, that defines the principles of collective bargaining, that sets up the machinery for conferences regarding differences between employers and employees, that makes it compulsory for organized labor and organized capital before a strike is called to submit their statement of grievances to this Government agency that should be formed; that is the absolute need of to-day. If this Congress, in the light of the last few months' experience, can not evolve through law such a court and prevent situations such as we are now in, or will not, then every Congressman, be he Republican or Democrat, who refuses to cooperate to that common-sense end should be retired and men of vision, appreciative of our situation and the crisis now here, put in their places. The Government fails—yes, civilization fails—when it fails to provide a court where justice and humanity can join hands to the end that indefensible strikes be banished from this fair land. [Applause.]

Mr. WINSLOW. Mr. Chairman, I want to ask the indulgence of the gentlemen of the committee for a moment. What I may have to say may seem rather ungracious after the splendid speech we have just listened to, but nevertheless I will take a chance.

There are many Members here who have come from all over the room to me quietly and asked if I would not arrange to shut off the speaking. That is not a pleasant thing to do, and I am not disposed to do it, but there are a great many here who would like to see this bill put through to-day after an ample discussion directed to the bill only. So with no hard feelings toward anyone and for the purpose only of facilitating the passage of the bill, and that alone, I would like to give notice that hereafter, unless under some special provocation, which I can not now anticipate, I shall feel obliged to object to any extension of time beyond the five minutes provided for by the rule.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Pennsylvania: On page 2, line 20, after the word "distributor," insert "to serve for a period not exceeding six months."

Mr. GRAHAM of Pennsylvania. I wish to read in that connection also an amendment which I will offer if this one should be adopted. That is, after the word "President" in line 22, to provide:

The President shall have power to appoint a successor for a like term, and an additional term thereafter, if the emergency still exists; such additional appointment shall, however, if the Senate be at the time in session, be made by and with the consent of the Senate of the United States.

Now, it seems to me, if the members of the committee will consider it, that there ought to be a limitation. This is the appointment of a person to an office indefinitely. There is no limit to the term whatsoever, and the only termination that could possibly come would be when the President, under the language of one of the sections of the bill, may proclaim that the emergency is ended. I think a period of six months ought to be sufficient to cover the emergency, but the next amendment offered will provide that if there should be a continuance of the emergency he can appoint a successor. But this ought to be put under some limitation. While we have all confidence in the President of the United States, as some one said in his remarks yesterday, no one can tell who may succeed him. It has been prophesied here that he will not succeed himself; that some other man will be President. Who can tell? This is permanent legislation. This is not simply an emergency bill, to be ended at a given period, but is a bill to be written into the statutes of the Nation and remain there. I think, therefore, there ought to be provided some definite limitation to the term.

Mr. WINSLOW. I would like to ask the gentleman if he has not an amendment to suggest later on which would in any way affect this?

Mr. GRAHAM of Pennsylvania. I have one or two simply making the correction in other parts of the bill that ought to be made to put the bill in other respects in conformity with this provision, but not making any change otherwise in the purpose or plan of the bill.

Mr. WINSLOW. Mr. Chairman, I think there is much in what the gentleman from Pennsylvania [Mr. GRAHAM] has to say about the limitation of the term of office. But if it is a forerunner of changes that may come long after it may be a different matter. The committee, I think, would not offer ob-



jections to a six months' arrangement, but I think it would not be a happy thing to leave it in the hands of the Senate.

Mr. SNELL. Along the line of suggestion, could we not strike out section 9 of the bill? That provides that any other President at any other time may determine that an emergency exists.

Mr. WINSLOW. That is another point. When we come to debate it, I think we will find there is more than one side to that.

Mr. STAFFORD. Will the gentleman yield further?

Mr. WINSLOW. Yes.

Mr. STAFFORD. It has been stated that even if the anthracite coal situation should be settled to-morrow and the mining of anthracite should be resumed in full force, there will not be sufficient anthracite coal mined in eight months to meet the annual output that has been the average heretofore.

If such is the fact, I can conceive of a situation where this coal distributor might have need for functioning six months from date. I should think that if the gentleman would put it at a year there would not be any possibility of his having any desire to function further; but six months, I think, is entirely too short by reason of the situation in the anthracite field.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, if the gentleman will yield, the subsequent amendment puts it in the power of the President to appoint for an additional six months, and then an additional six months, and surely any emergency that is going to continue that long ought to come under the purview and action of Congress.

Mr. STAFFORD. If the gentleman will yield again, I wish to say that in the bituminous situation the present understanding extends only to April 1. There is a commission to try to make some arrangement in January so as to adjust those rates of pay after April 1, but that would be the present emergency continuing. There would be no new emergency, because the present emergency would be continuing, and the President would not have the authority to declare the existence of a new emergency when it is the old emergency under which we are existing.

Mr. WINSLOW. Mr. Chairman, I would like to register the opinion that the committee is of a mind that the proposed amendment be not adopted.

Mr. ROSSDALE. Mr. Chairman, the country faces a dangerous situation by reason of the long-drawn-out strike in the coal fields, and unless some decisive action is quickly taken disastrous consequences will inevitably follow. I do not believe I am making any alarmist statement when I say that the situation is desperate. Already industry is shutting down. From various parts of the country come authentic reports of curtailment of industry because of lack of coal. Each day newspaper reports tell of threatened and impending closings of large industrial plants.

Throughout the country various States, municipalities, and communities are creating emergency organizations, such as coal commissions and fuel administrations, to purchase or seize or control the available coal supply in their territory; but unfortunately the available coal supply is so low that in my opinion their functioning will be valueless.

We have sat idly by during the many weeks of this cessation of coal mining while the mine operators and the striking coal miners have been fighting and rejecting the suggestions of President Harding for a settlement.

In the beginning Congress kept aloof and very properly did not interfere, believing and hoping that a settlement would be reached without interference by the Government. As it continued and the President's efforts at mediation proved ineffective, the country naturally looked to Congress for relief and Congress has been loath to interfere, but, gentlemen, the time for hesitation has gone by. It is no longer an academic question of whether the Government by legislative action should interfere in industrial disputes between employers and employees, but rather a simple question of providing an important necessity of life, for we must mine coal now to sustain human life in our Northern States during the coming winter.

If we are to prevent want and suffering all over the land, both in the North and South, even before the winter's cold shall have come upon us, we must mine coal now in order to keep our factories and mills working. If we are to keep our railroads and steamships in operation we must mine coal now, and if we are to enable our public utilities to furnish the necessary light, heat, and power we must mine coal now. In such an emergency it is plainly the duty of the Government to act.

It seems to me unthinkable that the disputes of a minority—coal miners and coal operators—shall be permitted to endanger the great majority of the people. I am in favor of this bill

"to declare a national emergency to exist in the production, transportation, and distribution of coal and other fuel, granting additional powers to the Interstate Commerce Commission, providing for the appointment of a Federal fuel distributor, providing for the declaration of car-service priorities in interstate commerce during the present and any succeeding emergency, and to prevent extortion in the sale of fuel."

It has been said that this measure is unconstitutional and that some of its provisions would not stand the test of the courts. But that contention is usually made when any legislation is proposed to which there are strong interests opposed to its enactment. When logic and reason dictate a certain course of action, then the Constitution is often conveniently invoked as a safe haven of refuge and shelter.

The majority of the committee who drafted this bill are lawyers, and I believe are competent to draft a constitutional measure, and hence I believe it is constitutional. For myself, I will say that I am in accord with the gentleman from Illinois who stated here this afternoon that "I would rather have a people with a Constitution than a Constitution without a people."

It is unfortunate that this strike, with its resultant industrial upset, occurred at this time, for we were just getting the better of the long business depression that set in after the inflated post-war boom period of 1919. The labors of this Congress to bring the country back to normal conditions were commencing to bear fruit. The business tide was turning and business conditions throughout the country were rapidly improving. Merchants everywhere were reporting increased sales. There was a resumption of activity in all lines of industry when this coal strike came upon us.

I believe we ought to have a law with teeth in it that will provide a medium to prevent a recurrence of industrial wars that are so far-reaching in their consequences as to affect the very life of the Nation.

A somewhat similar situation confronted the country in 1902 during the strike in the anthracite coal fields. At that time anthracite coal was more generally used than now, and the paralyzing effect of the strike was countrywide. President Roosevelt then also tried mediation, and failing in that method, brought the strike quickly to an end in his characteristic way by calling the mine operators and owners together, giving them the ultimatum of settling the strike within a limited number of hours or else he would use all the powers and compelling force of the Government against them.

He did not have any special legislation by Congress, but he was nevertheless able to bring the operators to terms. We had no Federal reserve banking system then, and it is said that Mr. Roosevelt simply used strong-arm methods by his ultimatum to the mine owners to settle at once or he would instruct the Secretary of the Treasury to withdraw all Federal funds from the banks that were Government depositories and controlled by them, and if that was not sufficient he would request Congress for the necessary legislation to seize the mines and operate them. His ultimatum had the desired effect, and the strike was quickly settled.

I regret that this bill does not give to the President the discretionary power to seize and operate the mines, if in his judgment such extreme action becomes necessary. If the President were given such discretionary power, in all probability it would never become necessary to use it, but it would have the moral effect of averting or ending such industrial wars.

I would offer such an amendment, but under the rules of this House it would be out of order, as not germane to the bill. It is regrettable that the committee did not include such a provision in the bill, which, in my opinion, is lacking only in this. If the President had such power there would not be these daily reports of strike settlement. Instead there would be actual, instant settlement.

It is very evident that the principal objection of the opponents of this bill is the power it gives to the Government through distribution and regulation to fix prices. It is not a direct price-fixing measure, although it will by indirect action fix prices and prevent extortion by mine operators and dealers.

If we are to enact legislation to meet this crisis, by all means let there be teeth in it; otherwise the price of coal will be beyond the ability of ordinary folks to purchase it. Already the profiteers are reaping a harvest and coal is up to \$20 a ton, although it did not cost a penny more either to mine or transport than before the strike.

The bill empowers the fuel administration and the Interstate Commerce Commission to ascertain the available supply of coal, its cost of production, supply, distribution, and transportation, and the power of granting priorities and embargoes, with penalties for violation of priorities granted. Coal owners at-



tempting extortion will under its operation be unable to do business, for they will have no means of transportation or delivery.

As a general rule I am opposed to price fixing, but in a situation such as now exists there must be some method of preventing speculation and profiteering in coal. This act will enable the consumer to purchase whatever coal there is at a reasonable price.

It must be remembered that even if every coal mine in the country were to commence mining coal to-morrow there will still be a severe shortage of coal all during the long winter months, and if the dwellers in the tenements, apartment houses, and private dwellings of our cities are not to freeze next winter coal must be sold at reasonable prices. If this bill will prevent extortion in coal costs, as it is intended, then I am in favor of it.

Mr. Chairman, in conclusion I wish to speak in opposition to the amendment offered by Mr. GRAHAM of Pennsylvania: On page 2, line 20, after the word "distributor," insert "to serve for a period not exceeding six months." This amendment limits the operation of the bill to a period of six months. What the American people now want is coal. They do not want any further quibbling or any more delay. We are facing an emergency and we ought to meet that emergency with the necessary action by the Government.

What the amendment means, in effect, is that in the event that this difficulty is settled now and another situation like it arises we would have to go through the same process all over again. Suppose such an emergency arose when Congress is not in session. The President would then have to call a special session of Congress and bring Congress back here to meet another situation like it, and thus have to reenact similar legislation.

Mr. GRAHAM of Pennsylvania. No such condition can possibly arise. This first appointment is made for six months. If, in his judgment, the emergency is not ended at that time, the President can appoint a successor for six months, and so on for an additional six months. That provides for a year and a half.

Mr. ROSSDALE. In that case the amendment is superfluous, for, if the President can continue it for six months or longer, then we do not need the amendment. Why not give the President these powers? Surely the President of the United States can be trusted at all times to have the power to meet a situation when it may arise. For my part, I am willing to trust the President, and I feel certain the American people are willing to trust him. The people at home care nothing at all about this quibbling and all this hesitating about the right to give the President the necessary power. I repeat, what the American people now want is coal. Here are in Congress a lot of lawyers, excepting a few of us, and busily splitting hairs. The American people do not care a tinker's dam about all the hairsplitting of a lot of lawyers in Congress. What they want is coal to keep the wheels of industry going and to provide fuel for the cold of next winter. They do not care anything about section so-and-so and section such-and-such. That will not put any coal into the coal bins, and it is not going to give industry the necessary fuel it requires.

We have had too much lawyer-made legislation already, and the country is weary of it. I say this with all due respect to my colleagues who are lawyers, but you do spend entirely too much time quibbling over legal technicalities when quick action is needed. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. GRAHAM].

The question was taken, and the amendment was rejected.

Mr. LANHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 2, line 20, after the word "compensation" strike out the period and insert a comma and the following: "at a rate not to exceed \$7,500 per annum."

Mr. LANHAM. Mr. Chairman, a few days ago we had before us a bill to create a fact-finding commission in the coal industry. That bill as originally presented provided for a compensation of \$10,000 a year to each of the commissioners. Upon an amendment offered by the gentleman from Alabama [Mr. BANKHEAD] that sum was reduced to \$7,500 per year. It seems to me in the abstract a dangerous matter to delegate the determination of salary to anyone. It seems to me that we should fix the compensation, and that the duty really devolves upon us to do so. If we are to have a Federal fuel distributor, I

think that in these times of unemployment, when economy is a prime consideration, we ought in this measure to limit the amount of compensation, and that amount might very properly be fixed at the sum specified in the amendment that I have offered.

Mr. WINSLOW. Mr. Chairman, I appreciate the desire of the gentleman to economize, but it seems to me it is like trying to save money in the family by cutting out salt. We have a great job to be done here. It may take two months or three months or four months or six months. None of us, I think, believe that it will be longer. For that job the President will have to pick a man who is able to take up, almost at sight, one of the lines of industry that stands just now particularly in the limelight, made more difficult by the conditions surrounding it, expecting him to come to Washington and expecting him to get his coat off in a minute and begin work almost without notice.

Why trifle in a picayune way about the compensation of a man who ought to command more than the sum specified by the gentleman from Texas in his amendment? In spite of the lack of employment throughout the country, I do not think there are many of us who would select from the unemployed a man for this job. The President will select a man big enough to handle this job. I think the provision in the bill will give the President a first-class opportunity to reach out and get a man big enough to do the work required. [Applause.]

Mr. LANHAM. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. LANHAM. Will the gentleman give his opinion as to what would be fair and proper compensation for such a Federal officer?

Mr. WINSLOW. How long is the term to be?

Mr. LANHAM. At the rate of how much?

Mr. WINSLOW. The rate does not prove anything. The man might be down here for three months.

Mr. LANHAM. The position may be perpetual, according to the terms of the bill.

Mr. WINSLOW. In that event I shall be in favor of repealing the law when the emergency no longer exists; but in the face of the conditions which we now have, and not knowing how long the term will be, I can not say how much the compensation should be for a man who can jump in and handle the job. If it is for a year's time, that is one thing. If it is six months, it will be another. If it is two months, it will be another. The shorter the time the more the country can afford to pay him.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Texas [Mr. LANHAM].

The question being taken, on a division (demanded by Mr. LANHAM) there were—ayes 27, noes 64.

Accordingly the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Page 2, line 19, after the word "purposes," strike out the residue of the paragraph and add the following: "The Interstate Commerce Commission shall have and exercise the powers hereinafter provided in addition to the powers it now possesses."

Mr. MOORE of Virginia. Mr. Chairman, I shall support this bill, just as I supported the so-called fact-finding bill the other day, not with any particular confidence that it will achieve the desired results but because it is the only thing that is offered us at this juncture.

I have no reasonable doubt as to the validity of the bill. So far as the question of power is concerned, there is this to be said: That the existing commerce act, whose validity is not contested, vests in the Interstate Commerce Commission very extensive discretion to determine when an emergency exists and to deal with that emergency by directing the routing of traffic, the priority of movement, and so forth. That law, with respect to power, is simply plussed by this measure and in only one respect. This measure creates a fuel distributor and provides that he shall find the facts in reference to the production of coal, the normal price of coal, the current price of coal, and the localities where and the persons by whom coal is needed.

I believe that the Interstate Commerce Commission—I am talking about the matter of power and not the matter of penalties—under the present law, with such unlimited discretion can now do all that it will be able to do after we have passed this bill. It may, of course, secure more information under



this bill as a basis for the exercise of the discretion it already possesses.

Let us assume that this bill is desirable because it specifically refers to certain facts that ought to be ascertained before the commission exercises its discretion. Those facts do not need a new agency of the Government for their ascertainment. The best agency of the Government to ascertain them is the Interstate Commerce Commission itself. The Interstate Commerce Commission is perhaps the most efficient agency of Government we now have. That commission already has a very large and a very expert force in its service. If it be said that the present force is not sufficient to enable it to go out and get at the facts in question, the reply is that an appropriation of even one-half of the amount mentioned in this bill, designed for the payment of the expenses of the proposed new agency, will give the Interstate Commerce Commission what it will require to widen out the scope of its inquiries, and that the commission will have no difficulty at all in executing the provisions of this bill. In my opinion the people—I can not speak for all the people, but I can speak for at least one of them and I believe for many of them—are sick and tired of unnecessary independent or dependent agencies being created. The House seems to be determined to create another one, a fuel distributor, who is to do a specific thing. He is to get at certain facts and communicate them to the Interstate Commerce Commission. He is to have his existence quite apart from the commission, however. He is to build up a new force, at a very considerable expense. Now, if all the work can be done just as well by the Interstate Commerce Commission, why not charge the Interstate Commerce Commission with the responsibility of doing the work?

Mr. WATSON. Will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. WATSON. Is it not a fact that the Interstate Commerce Commission is already burdened with a great many propositions? Is it the idea to put everything onto the Interstate Commerce Commission?

Mr. MOORE of Virginia. Perhaps I am as familiar with the work of the commission as any man in the House. I know it is a very busy organization. Nevertheless the membership has been increased quite recently.

Mr. WATSON. That is true.

Mr. MOORE of Virginia. I know also that that commission does not do all of its work immediately by its own members any more than the President of the United States does all his work without the assistance of others. I know that the commission during a period of years has carefully selected a most competent force of employees. They are now at its service, and similar men can be obtained by the commission if there is some further amount made available for that purpose.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MOORE of Virginia. If I may say a word further in the time of my friend from Massachusetts [Mr. WINSLOW], who has been referred to by the gentleman from New York [Mr. CLARKE] as a lawyer who does not function to his satisfaction [laughter], I venture to state that in my humble judgment there is not the slightest excuse for building up this new agency when we can do everything that is sought to be done, and I think more effectively, by trusting and relying upon an agency we already have. [Applause.]

Mr. WINSLOW. Mr. Chairman, I think the members of our committee would rather be disposed to agree with the gentleman from Virginia and approve his suggestions if there were no more to the question. At the time this bill was being drawn an investigation demonstrated the fact that the Interstate Commerce Commission is not physically organized to take over this work. They have on hand all that every man in their organization can do. Even if they could employ additional clerks, they would still not have a directing head of the right quality, caliber, temperament, and type of man to put in charge of that division.

If it were only clerical help needed we could get it in several Government departments, but as we have to pick out a head as a coal distributor and have to hire new help we feel that the economical way and the practical way for quick action would be through a distributor, and if we were to cut him out we might as well rewrite the whole bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I offer the following amendment: Line 20, page 2, add, after the word "distributor," "to serve for a period not exceeding 12 months."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Pennsylvania: Page 2, line 20, after the word "distributor," insert "to serve for a period not exceeding 12 months."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was rejected.

Mr. FAIRCHILD. Mr. Chairman, I offer the following amendment.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to the section close in five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on the amendment offered by the gentleman from New York and all amendments to the section close in five minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. FAIRCHILD].

The Clerk read as follows:

Page 2, line 13, after the word "distribution," insert "at a reasonable price to the ultimate consumer."

Mr. FAIRCHILD. Mr. Chairman, the amendment that I offer I hope will be accepted by the committee. Section 5 of the bill suggests price extortion as one of the elements to be considered by the Interstate Commerce Commission, but section 2, which is the section announcing the purpose of the bill, is strangely silent on the question of price. It says "because of such emergency and to assure"—what? To insure an adequate supply and to assure an equitable distribution, but no reference to a reasonable price. What my amendment purposes to do is to include price, so as to make it read "to assure an adequate supply and equitable distribution at a reasonable price to the ultimate consumer."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 3. It shall be the duty of the Federal fuel distributor to ascertain (a) the available supply of coal and whether there exists within the United States or any part thereof a shortage or impending shortage of coal or other fuel and the extent of such shortage; (b) the fields of production of coal and other fuel and the principal markets to which such production is or may be transported and distributed and the means and methods of distribution; (c) the prices normally and usually charged for such coal and other fuel and whether current prices, considering the costs of production and distribution, are just and reasonable; (d) the kind and location of the consumers; and (e) whether persons, corporations, regions, municipalities, or communities should receive priority in transportation and distribution, and the degree thereof, and any other facts relating to the production, transportation, and distribution of coal and other fuel; and when so ascertained the Federal fuel distributor shall make appropriate recommendations pertaining thereto to the Interstate Commerce Commission from time to time either on his own motion or upon request of the commission, to the end that an equitable distribution of coal and other fuel may be secured so as best to meet the emergency and promote the general welfare.

The Clerk read the following committee amendment:

Page 2, line 25, after the word "coal" insert the words "and other fuel."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read the following committee amendment:

On page 3, line 6, after the word "distribution" strike out the word "thereat."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 3, line 10, strike out the word "firms" and insert the word "copartnerships."

The committee amendment was agreed to.

Mr. HICKS. Mr. Chairman, I move to strike out the last word.

On general principles I am very strongly opposed to the interference of Government in private business, and only in times of stress do I feel such action is justified. That an emergency exists in this country in regard to the production and distribution of coal no man doubts, and unless something is done, and done quickly, the suffering of individuals and the disaster to industries will be acute and far-reaching. Somewhere in the chain between the shovel of the miner and the shovel of the consumer there is a link that represents neither the honest toil of the laborer or the fair profit of the distributor. It is where exorbitant profits come in and this bill proposes to cut that link from the chain.

There are millions of people in this country who are not represented in the councils of capital or in the councils of labor, but their interests rise supreme to both and must be protected and safeguarded.



Mr. Hoover, one of the clearest thinking and best informed men in America, states as his opinion that it is necessary that some restraint be placed on profiteering in coal. I will follow his advice and vote for this bill. [Applause.]

Mr. VAILE. Mr. Chairman, I move to strike out line 21.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, strike out all of line 21.

Mr. VAILE. Mr. Chairman, that line is "to promote the general welfare." I do not think such language has any place in the bill. I do not think this bill promotes the general welfare. It does not seem to me that the general welfare is promoted by a bill to fix prices or for the Government to control private industry. What is "the general welfare"? Is it not the welfare of all of us? I want to show you where all of us are getting off on this proposition. Now, this supposed coal bill is really a railroad bill. Its main purpose besides fixing prices on coal is to control the transportation of coal. It is a result of the rail strike more than of the coal strike.

Talk about the railroad brotherhoods. They contain many splendid citizens and many good friends of mine, but let us say a word about the brotherhood of the general public. Here in this morning's paper, and you can take up yesterday's morning paper or any other paper and find the same thing—

Three held for grand jury for Michigan Central spike-pulling case.

The names of those three men are Charles Uselis, Joseph Popauritch, and Albino Alessio. All of these men were said to be striking shopmen. The article goes on to state that these arrests led the way for exposure of a plot to wreck the Twentieth Century Limited, one of the best and fastest trains in the country, which presumably would be full of people traveling about their lawful business.

Continuing, the article says:

Uselis declared that at the union meeting on Saturday a speaker, whose name he did not give although the police are said to know it, did not instruct him and his three companions to wreck a train. He said the speaker spoke as follows:

"You go out to Gary or somewhere in that neighborhood and jimmy up the track, to cause trouble and make it appear that equipment is in bum condition and that it's dangerous for train crews to ride trains."

It was on the day after the wreck, Uselis asserted, that plans were laid for him and Alessio to go to Elkhart, Ind., next week and seek work in the New York Central shops, supposedly as strike breakers, in an attempt to derail the Twentieth Century Limited.

In the same column of the same paper are the following items:

FORT SMITH, ARK., August 29.

Officers were rushed to the Missouri Pacific Railway shops at Van Buren, Ark., early to-night when a report was received that several volleys of shots had been fired at the building.

DANVILLE, ILL., August 29.

A series of four explosions early to-day shattered windows and demolished long strips of yard trackage in the shops of the Chicago & Eastern Illinois road here. It is believed an attempt had been made to destroy the entire shops. One bomb had been planted near the main entrance of the yard.

AUGUSTA, GA., August 29.

A young man named H. B. Moody, a new employee at the Georgia Railroad shops, was attacked on the streets here early this morning by three unknown men, who beat him severely about the head.

These murders and assaults are on people who are trying to get work in the United States of America in the 147th year of our supposed independence. What are we going to do about it? Instead of the wretched makeshift which is now before us we ought to have here a bill under the power of Congress to regulate interstate commerce which would make interstate commerce safe. What is the power to regulate commerce? Does it not include the power to sustain, the power to maintain? Instead of such a bill as this on which we are piffing away our time, to authorize the fixing of prices, to authorize the Government to further engage in private industry or control private industry, we should be considering some measure to make interstate commerce safe. Why, the Republican party went into office on the proposition that we wanted more business in government and less government in business, and, thank God, we have carried out the first part of that pledge splendidly. I want to see us stay by the latter part of the pledge.

The general welfare means the general welfare of the general public, the brotherhood of the general public. It seems that we ought to stand by the first function of government. What is the first purpose and function of any government, even savage government, if you please? It is to make life, property, and work safe. That is the one thing which, strangely enough, we are not doing. I think the country will justly say that we are derelict on our job. [Applause.]

Here are a few of the other cases, clipped by me from just one recent newspaper. It would make far too large a file to collect them every day:

BIRMINGHAM, ALA., August 17.

Two attempts to blow up tracks of the Louisville & Nashville Railroad near Birmingham yesterday came to light to-day by the announcement from the office of Superintendent Smith of this division that "vandals" were at work on the line.

HORNELL, N. Y., August 16.

E. L. Nelson, of Buffalo, who arrived here yesterday to work in the Erie Railroad shops, was seized by a group of men and stripped of his clothing.

SAYRE, PA., August 16.

Norman Carmel, employed by the Lehigh Valley Railroad shops here, died early to-day from stiletto wounds received when he was attacked by five unknown men last night. No arrests have been made.

SCRANTON, PA., August 16.

A crowd, estimated at 2,000, attacked a shop worker at Bellevue and gave him a bad beating before he was rescued by policemen. Another crowd of 200 persons attacked workmen at the Keyser Valley works of the Lackawanna.

SAN BERNARDINO, CALIF., August 16.

Several persons were reported to have been injured by rocks thrown to-night when a crowd of several hundred persons gathered at the Santa Fe Railroad shops here and attempted to prevent employees working there in spite of the strike from leaving the inclosure.

Just how is the pending bill for distributing coal going to affect this case?

MURPHYSBORO, ILL., August 16.

Approximately 150 striking miners forced the crew of a Mobile & Ohio train to sidetrack five cars of coal at Willisville, 10 miles north of here, late this afternoon, which was bound for East St. Louis.

What we needed in that case was not a new Federal officer, a coal distributor, to issue his directions to that crowd by mail. What we needed was a squad of soldiers to prevent interference with the necessary business of the country. Somebody needed that coal, no doubt. Somebody probably needs it still. The function of Government was not to regulate the number of cars for its shipment but to see that the cars in which it was in fact shipped were kept moving.

I could multiply these instances by taking four or five from every daily paper that has been published since this strike started.

The people of the "western slope" of Colorado sent me a long resolution the other day. They say that their entire crop of fruits and vegetables will be a loss unless they can immediately obtain cars. I sent that resolution to the chairman of the committee which is presenting this coal distribution bill on the floor to-day. I am surprised that he has not made his "remedy" broad enough to cover both cases. They are identical in principle. To be sure, there is no strike among potato growers, but there is a shortage of potatoes in a good many parts of the country. There is, nevertheless, a splendid crop of potatoes. We have been told that there is an abundant supply of bituminous coal. But the coal does not get to the consumers because of the railroad strike. The potatoes do not get to them for exactly the same reason. Well, why not apply the same remedy? For the coal situation you propose to solve it by fixing the price of coal and apportioning the cars so that it will move to the localities that need it most. Well, let us fix the price of potatoes and apportion the cars to the growers that ask a "fair" price, and let them be sent to favored sections of the country. Perhaps the grower has contracted his crop in advance; perhaps he may have been paid a deposit on it. No matter. He shall have nothing to say on the question of where his potatoes shall be shipped, or what he will get for them.

Oh, gentlemen of the Congress of the United States, do not let us stand before the country in the weak and pitiable situation of saying, "Now that transportation is being tied up we will solve the situation by controlling the movements of the few cars that can move." What a pusillanimous proposal. What the country demands is that all the cars shall move. Can any one doubt that when they all do move, without unlawful hindrance, the matter of distribution will take care of itself? That fact is so obvious and our duty is so obvious that if my 5-year-old boy couldn't see it I would want to disown him. Our duty is the very plain and simple one to keep the cars moving—all the cars—by preventing unlawful interference with their movement and by preventing unlawful interference with their repair or with the repair of the motive power that takes potatoes and coal and wheat and cotton and everything else across a country which has been wont to boast that it was especially skilled in the art of self-government.

Potatoes and coal? Yes; and people, too. A few days ago train crews on the Santa Fe deserted their trains at the little desert village of Needles, Calif., because the railroad shop was



guarded for the protection of employees there. In that train were aged people, one old lady more than 90 years old. There was one baby in arms, whose parents live in my town. In the blistering heat of several days without proper food that child almost died. Perhaps you can excuse that dastardly abandonment of duty by those train crews. I can not.

I suppose we will soon be distributing cars for the transportation of living human freight. That is the logical result of the remedy you propose. This great country will take such cars as Messrs. Uselis, Popauritch, and Alessio kindly allow us to have. When our allowance is less we will content ourselves with distributing the lesser number.

Well, this bill does not content me, and I do not propose to apologize to my constituents for voting for it. I shall vote against it. [Applause.]

Mr. ROACH. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Missouri [Mr. Roach] is recognized.

Mr. ROACH. Mr. Chairman and gentlemen, there is every reason why this bill should be immediately enacted into law. A coal strike has been in effect since April 1 until a few days ago. As a result the coal bins of the country are greatly depleted and in many instances empty. Factories and industrial institutions, employing thousands of our people, have been obliged to greatly reduce their forces and output, and in some instances close down altogether, on account of the coal shortage. Winter season is approaching, and those familiar with present industrial conditions and in the least observant of past experiences do not need to be informed that the "party of the third part"—the American public—which you and I have the honor to represent, are once again about to be called upon to pay the bill. Not only pay it in dollars and cents, but in personal sacrifices, inconvenience, and in many cases individual suffering, saying nothing of the interference with the orderly dispatch of everyone's business, with its consequent losses to all of our people alike.

When we take into account the present shortage of coal that exists in many sections of the country, the competition that will now ensue and is already under way to obtain coal, the inability of the railroad companies to make immediate and prompt delivery of coal shipments, the season of the year, and what not, we may naturally expect the profiteer to get in his work, the price of coal to soar, profiteering to run rampant, coal to be hoarded, and other like grievous wrongs against the public, all calculated to injure our people in one way or another unless we prevent it by some such legislation as is proposed in this bill. The general public depends upon Congress to protect them from the profiteers and other evils that creep into the business life of our country. We should not wait until the evil overtakes them and gains a strangle hold before we move. We should act promptly and forestall that which we all apprehend is sure to occur unless we do act. This bill, to a large extent, will protect the people from imposition by the profiteer, but, in my humble judgment, still further legislation is desirable and necessary if the American public is to be fully protected from other equally dangerous threatened industrial conditions. This bill, in other words, is a good antidote for the one particular threatened evil with which it deals, but, in my opinion, a major operation is necessary if we hope to secure the complete relief to which the public is entitled.

It has been freely predicted around the corridors of the Capitol for several days past that Congress would go into recess within the next 15 or 20 days. Doubtless this is true, and that some Members will return to their districts to enter their campaigns even sooner. Our services have been almost continuous since March 4, 1921, and it is entirely proper that we should at least recess for a sufficient length of time to make our campaign for reelection, but I frankly tell you that I am more concerned right at this time in remaining here until we have taken every necessary precaution of protecting the public and concluding the important legislation now in process of enactment into law than I am in taking a recess to conduct my campaign for reelection. A threatened serious industrial condition confronts the country.

The outlook is not encouraging unless a better understanding is soon reached between capital and labor, and in my judgment we should not recess until we have enacted legislation that will adequately and justly take care of the interests of the whole people in any situation that might arise. The situation could easily become such as to wreck business and industry all over the country and cause a serious interference with the general welfare and happiness of our people. They have a right to look to the President and to Congress for protection. It seems that our President in dealing with the situation has about

reached the limit of his constitutional powers and legal authority under existing laws, and in my judgment this Congress should extend his authority, even to the extent of taking over the coal mines and railroads of the country if the emergency becomes such as to make this action necessary to prevent human suffering, loss to business, and wrecking of industrial and economic conditions. A tie-up of our transportation system right at this time would not only imperil the lives and happiness of our people but would utterly paralyze every business and industry of the country. Factories could not operate for lack of coal, people would be thrown out of employment, farmers and shippers could not market their live stock. Everything would come to a standstill, and right at a time, too, in the history of Government when we are trying to regain our equilibrium from the effects of the World War. This Government is too big and too strong to sit idly by when we apprehend that we are threatened with such an intolerable condition as might and could be easily brought upon us, without taking all necessary precautionary measures to prevent it so far as it is humanly possible for us to do so.

I would not only authorize the President to take over the railroads in case of urgent necessity and operate them for the public and with justice to the employees, but I would direct him that in case such a step as taking over the railroads became necessary that while we had them in hand we squeeze the water out of their stock and take the inflations out of their absurd valuations before we turned them back into the owners' hands. When this has once been effectually done the present high and exorbitant transportation charges could be so materially reduced that the country would sing our praises forever. I want the railroads to make a substantial return on the amount of their actual investment, but the people are getting pretty well fed up on paying tribute to watered stock and inflated values. The time is here when this evil must be corrected. The timely legislation enacted by this Congress has already brought about a visible steadying of general conditions, and we are gradually reaching a state of equal balance again were it not for the fact that the shipper, whether from the farm, factory, or store, is obliged to pay out half or more of his profits in transportation charges, and even at that the railroads, due to "disturbed industrial conditions," will only receive the farmer's live stock for shipment at the owner's risk of delay, requiring him to sign a contract that he has neither the time or patience to read. How long these conditions may continue we can only speculate, but we can at least prevent them from growing worse. We should immediately pass this bill under consideration and then proceed with a permanent cure for the other evils and threatened evils to which I have directed your attention. The public expects it. They have a right to expect it. I am unwilling to admit that any person, set of persons, or corporation is bigger than our Government. [Applause.]

The Clerk read as follows:

SEC. 5. The Interstate Commerce Commission is authorized, and is hereby directed, to receive and consider the said recommendations of the Federal fuel distributor and in its discretion to issue such order or orders for priorities in car service, embargoes, and other suitable measures in favor of or against any carrier or region, municipality, community, person, copartnership, or corporation, and to take any other necessary and appropriate steps for priority in car service and in equitable distribution of coal or other fuel so as best to meet the emergency, prevent extortion in prices charged for coal and other fuel, and promote the general welfare.

With the following committee amendment:

Page 4, line 9, strike out the word "in" and insert the words "for the."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. DENISON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DENISON: Page 4, line 10, after the word "emergency," strike out the words "prevent extortion in prices charged for coal and other fuel."

Mr. DENISON. Mr. Chairman, I ask unanimous consent to speak for 10 minutes.

Mr. WINSLOW. Mr. Chairman, I would like to extend the time, but we have twice to-day been over this very same proposition. It has been voted to a standstill and why go over it again?

Mr. DENISON. Of course, the chairman understands that I did not take any time under general debate.

Mr. WINSLOW. But the gentleman had an opportunity if he wanted to.

Mr. YOUNG. Mr. Chairman, reserving the right to object, does the gentleman expect to pass this bill to-day?

Mr. WINSLOW. I have no power to answer that question.



Mr. YOUNG. If the gentleman is not going to pass the bill to-day, he might as well grant the gentleman from Illinois some time.

Mr. WINSLOW. I am perfectly willing to allow the gentleman 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to speak for 10 minutes. Is there objection?

There was no objection.

Mr. DENISON. Mr. Chairman, the difference between the amendment that I have offered and the amendment offered by the gentleman from Indiana [Mr. SANDERS] is simple. I eliminate from the bill only the provision for fixing the price of coal, and I accept all of the other provisions. For various reasons I would like very much to vote for the bill. I would like to vote for it because the President wants some kind of legislation that will help the present situation, and, of course, I would like to support anything that he wants along this line. However, if that provision remains in the bill, I can not vote for it.

Mr. SMITH of Michigan. Will the gentleman please read that provision?

Mr. DENISON. My amendment is simply to strike out the words "prevent extortion in prices charged for coal and other fuel." I want to state briefly, without repeating the arguments that have been presented by other Members, the reasons why I can not support the bill with that provision in it.

Of course, it is apparent that those who drafted the bill shrewdly chose words that seem formidable, and our first impulse is to conclude that no one should object to the words "prevent extortion in prices" remaining in the bill, because no one would ordinarily approve of such a practice. But when given their practical effect the words "prevent extortion in prices charged for coal" mean simply to prevent the charging of a price in excess of that fixed by the fuel distributor. The language could mean nothing else. Mr. Hoover testified before our committee that the practical working out of this bill would result in the Federal fuel distributor fixing what would be called a "fair price" for coal at the mines, and it would be unlawful for any coal producer to charge more than the "fair price" fixed by the distributor; if he should do so, the Interstate Commerce Commission would have the power to punish him by refusing to permit him to receive cars with which to transport his coal to the market; in other words, they would issue an embargo against him. Therefore the amendment I have offered simply strikes from the bill the power conferred upon the fuel distributor or the Interstate Commerce Commission to fix the price of coal at the mines.

If the Interstate Commerce Commission does not have the power under the present law, by granting priorities and preferences in car service, to equitably and effectually distribute the coal supply of the country to those persons and to those regions where it will be most seriously needed, then I am willing to confer upon the commission such additional powers as will enable them to accomplish that purpose. Assuming that the provisions of this bill are intended to confer upon the Interstate Commerce Commission such additional powers with reference to car service, I think the bill ought to pass. I believe the Interstate Commerce Commission ought to have the very broadest possible powers to grant priorities and preferences in car service so as to provide for the quickest and most equitable distribution of all available coal to the persons and communities where it is most sorely needed. But I can not vote for a bill to authorize the Interstate Commerce Commission or any other official of the Government to fix the price of coal.

In the first place, I know of no power conferred upon Congress by the Constitution which would authorize us to pass legislation fixing the price of coal or any other commodity. This is a subject that has been much discussed here in recent years. During the war we fixed the price of certain commodities by legislation in the exercise of our war powers. I do not think there is any doubt of our right to do so under the war powers, but our experience in doing so convinced me that the wisdom of such legislation was very doubtful. Until now I have never heard it contended that Congress could in time of peace fix the price of commodities by legislation. So far as I know this Government never before in its history undertook to do such a thing, nor has any other government except in time of war.

During the past two or three years, when the prices of the farmers' products have been going down and down until the farmers of the country were almost in a bankrupt condition, being compelled to market their products often at less than the cost of production, I have been appealed to time and again by the farmers and the farmers' organizations of my district, urging me to have legislation passed fixing the price of the farmers' products so that they could make a profit on them.

This week I received a letter from a farmer stating that the farmers could not continue to live and cultivate their farms unless Congress, by legislation, would fix the price of wheat so that they could afford to raise it.

I have invariably written to these farmers and farm organizations that in my judgment Congress had no power under our Constitution to fix the price of farm products in time of peace. I have always understood that to be a constitutional limitation on the power of Congress. Therefore, if I should vote for this bill which provides for fixing the price of coal, I will be either acting in a manner inconsistent with my oft-expressed views as a lawyer or will be put in the position of disregarding my convictions under executive pressure, and I am unwilling to do either.

I have sometimes voted for legislation with regard to which I have had some little doubts as to its constitutionality, being willing to defer to what I have thought may be the better judgment of others. But I will not vote for any legislation which I firmly believe to be beyond the constitutional powers of Congress to enact. I have taken an oath to support and defend the Constitution, and I think it is in conflict with that oath to vote for any bill which I firmly believe is beyond our constitutional powers.

Therefore I can not vote for this bill if it contains the provision authorizing some Federal official to arbitrarily fix the price of coal at the mines. The amendment I have offered would eliminate that objectionable part of the bill.

It has been argued here to-day that if Congress can not exercise this power there will be no protection for the people from the greedy profiteers who will take advantage of the present industrial condition and exploit the people by unreasonable charges for coal. Surely, they say, the Congress must have the power to protect its own people from such imposition. The answer to that argument is that no such power can be found in the Constitution. All of us have known, if we have ordinary intelligence, that circumstances might arise in which there would be a shortage of coal in this country. All of us have known for years how the coal mines have been operated and labor conditions adjusted, and we have known that strikes could and might occur which would result in the shutting down of the coal mines and material increases in the price of coal. If we had been provident and had desired for the Government to exercise the extraordinary power of stepping in and fixing the price of coal by legislation, we should have before this amended the Constitution so as to confer that power upon the Congress. Not having done so, and the power not having been conferred upon Congress by the fathers who drafted the Constitution, I do not think we should even in the stress of present circumstances disregard our oaths of office and usurp that power.

I am opposed to this bill if it contains this provision authorizing the fuel distributor to fix the price of coal at the mines because it will, in my judgment, result in increasing the price of coal to the average consumer rather than decreasing it. If the Members will read the testimony of Mr. Hoover in the hearings before our committee, they will see he said that the practical effect of this legislation will be that the maximum price fixed by the Government will become the minimum price charged for coal. In other words, he said in substance that the fuel distributor will determine on what will be a "fair price" to be charged for coal at the mines. Anything above that price will be considered extortionate and, therefore, will be prohibited. If the fuel distributor should act at all with due regard to justice and fairness, he would have to fix the fair price at a reasonable amount above the cost of production at the most expensive mines. The cost of production at the most expensive mines will be the standard rather than the cost of production at the less expensive mines. And just as soon as the Government determines upon and announces what shall be the fair price for coal at the mines, the price of all coal will be advanced to the Government's "fair price." So that while the fixing of a fair price by the fuel distributor may result in preventing excessive prices charged for coal to large purchasers here and there who would purchase their coal from the more expensively operated mines, the great number of consumers who buy from the smaller and less expensively operated mines would have to pay more for their coal because the price would be advanced to the fair price fixed by the Government. In other words, because the Government's maximum price will immediately become the minimum price all over the country. That condition will continue so long as there is a shortage of coal. That is the testimony of Mr. Hoover himself; that was our experience during the war, and our judgment ought to tell us that that will be the case.

I am opposed to this price-fixing provision of the bill because, in my judgment, it will result in depressing or retarding the production of coal rather than increasing it.



Mr. Chairman, I think that the best solution to the threatened high prices resulting from shortage of coal in this country is to increase production as much as possible. The Government should do nothing that will depress or retard production. We should do everything we can to encourage and increase production. When we undertake to pass legislation to fix the price of coal, we are doctoring the symptom and not the cause of the industrial disease. Remove the cause and the symptom will disappear. Increase the output of the mines and the high price will disappear by natural law. Legislation that will deprive operators of coal mines of an opportunity for reasonable profit, that will permit the Government to meddle and interfere in the management of this great business, will remove the incentive to increase production and will prevent the very thing that will bring the price of coal down. Everyone knows there are more coal mines and more coal miners in this country than the normal demand for coal would justify. Under normal conditions the mines can not work much over half time. The bituminous strike has been settled and those mines have resumed work. The anthracite strike will be settled in a day or two, as everyone knows, and they will soon resume work. There will soon be a surplus of coal and competition will prevent unreasonable prices. That condition will be delayed, in my judgment, if we provide a Federal official and confer upon him power to arbitrarily and officiously interfere with the business and say what price the owners of coal mines shall charge for their product.

Mr. Chairman, I am opposed to the price-fixing provision in this bill, because it will not reach the evil that it is intended to reach. This bill is aimed at the producers of coal only. It is not intended to catch the real profiteer in coal. Why there should be this discrimination I do not know. But this bill authorizes the fuel distributor to fix the price of coal at the mines. Everyone knows, I think, that the real profiteers have not been the producers, but the middlemen or resellers of coal. It will do very little good to fix the price of coal at the mines if you permit the broker or the retailer who buys the output of the mines at wholesale to charge such price as he wishes to charge to the consumers of coal. This bill does not hit the real profiteers.

This bill hits the producers, who ought to be encouraged rather than discouraged by the Government. If Congress is going to assume to fix the price of coal in this so-called emergency legislation, it ought to fix the price to the consumers, who will have to pay the bills, rather than to fix the price at the mines. The producers hardly ever sell coal to the actual consumers. This bill will not accomplish its intended or its pretended purpose. And unless it can be amended so as to prevent excessive prices being charged to the consumers of coal, I would not support it even if we had the constitutional authority to enact it.

I am opposed to the bill because it contains a section authorizing the President at any time in the future whenever he thinks that there is an emergency to so declare, and thereupon the powers of this bill shall be revived, and he will be authorized to appoint another fuel distributor with arbitrary powers over the coal industry.

I have almost unlimited confidence, I must confess, in President Harding. But the time has not yet come when I am willing to confer upon any President that may hereafter be chosen the power to declare an emergency and, by virtue of the emergency which he himself has declared to exist, appoint a public official with unlimited salary and unlimited duration of office to exercise unlimited control over a great industry like the coal industry. I do not share the view that the Congress can under our constitutional limitations authorize the President to declare the existence of an emergency in time of peace under which any extraordinary powers may be exercised. If we had such power I would not be in favor of granting it. If there are such things as emergencies which can be declared by the Government and by virtue of which extraordinary powers may be exercised, I think Congress and not the President should declare them. But I do not think either Congress or the President can, by the mere declaration of the existence of an emergency, thereby come into the possession of any powers that are not expressly conferred by the Constitution. If that were the case, then the difficult and tedious process of amending the Constitution in the manner provided in it could be avoided by the mere declaration of the existence of an emergency.

Of course, Mr. Chairman, it is apparent that this bill is going to pass and in some form will become a law. I would hesitate to defeat it even if I could do so. The objections I am stating to it, and the vote I shall cast against it if the price-fixing provision is not eliminated, simply represent my feeble protest against what I think is the exercise of an unconstitutional power and the pursuit of an unwise policy by Congress.

From one point of view I could hope to see this bill become a law. It is going to be an interesting experiment in legislation. At other times and under other conditions when Congress was not acting under Executive pressure this bill would not be seriously considered by the Members of the House or the Senate. It would be looked upon as absurd for the Government in a time of peace to presume to fix the price of any industrial products. But now there is a threatened shortage of coal. New England and the Northwest are threatened with serious results. The coal consumers overwhelmingly outnumber the coal producers of the country. Therefore we frantically dig through the Constitution for some Federal remedy that does not there exist.

Now, at the hearings one of those who was responsible for this bill justified it by the commerce clause of the Constitution. Another justified it by the so-called public-welfare clause of the Constitution. Those who drafted the bill combed the Constitution and placed in the first section of the bill all of the different congressional powers which might be considered as inferentially justifying this legislation, including the commerce clause, the welfare clause, the public-health clause, the post-office and post-roads clause, the Army clause, the Navy clause, and others.

If we have power, gentlemen, under the so-called public-welfare clause of the Constitution to pass legislation authorizing a Federal official to fix the price of coal at the mines, then there is absolutely no limit on what Congress may hereafter do, and we will have plenty to do from now on. If Congress can by legislation fix the price of coal because the prices charged are so high as to be unfair to the consumers, then we can also fix the price of coal because the prices paid are so unreasonably low as to be unfair to the producers of coal.

If we can by legislation fix the price of coal, then there is no reason why we should not by legislation fix the maximum price of wheat if the time should come when the farmers are getting too high prices for their wheat; and there is likewise no reason why Congress should not immediately authorize a Federal official to fix the price of wheat or other farm products, because the prices now realized are so low as to discourage production and threaten the food supply of the country. There is no end or limit to the maze of legislation that the exercise of this far-reaching power may lead us to; and even if we possessed the power to pass such a bill under the Constitution, any thinking man ought to at once see the unwisdom of it. If the so-called public welfare clause of the Constitution would justify such legislation as this, then I can not conceive of any further need of amending the Constitution in the manner provided in it, because all desired legislation could be passed under the color of public welfare. We could have passed a national prohibition law under the doctrine of public welfare. We could have passed an income tax law under the doctrine of public welfare. We could have passed the woman's suffrage amendment under the doctrine of public welfare. Almost any legislation could be enacted under the so-called public welfare clause of the Constitution if that clause should be construed as those of you would construe it who quote it to justify this bill.

Mr. Chairman, I do not think the commerce clause of the Constitution can be perverted into any sort of authority or justification for price-fixing legislation. The decisions of the Supreme Court construing the commerce clause are indefinite and perhaps conflicting, but none of them have gone so far as to intimate that the power of Congress to regulate commerce between the States may be used to fix the prices of products within the States. And we can not do by indirection what we can not do directly.

Now, if this bill should become a law, let me show you what a grave injustice it would authorize. The price-fixing provision would authorize the Federal fuel distributor, through the Interstate Commerce Commission, to determine a fair price for coal. Any price charged for coal above the fair price fixed by the distributor would be considered extortionate within the meaning of the act. And the act authorizes the Interstate Commerce Commission to grant an embargo against any person who should violate any of the provisions of the act or any regulation of the fuel distributor. If, therefore, any coal company or any person should charge for coal shipped in interstate commerce a price higher than that which the fuel distributor had considered as fair the Interstate Commerce Commission could place an embargo against that company or person and deny him the right of transportation for his product and thereby close his mine. It would amount to a denial of the right to sell the product of his mine.

The right to sell property is as sacred as the right to own property. The Constitution guarantees to every person the right of property and provides that he shall not be deprived of



it without due process. To deprive a person of the right to sell his property is to deprive him of his property, and, in my judgment, a law which would authorize any Federal official to arbitrarily deprive a citizen of his property without giving him the right of appeal or the right of review by some judicial tribunal would be depriving him of his property without due process of law, and for that reason would be unconstitutional.

Under this bill the Federal fuel distributor might act arbitrarily, he might fix the price at such an amount that the producer would have no profit or even suffer a loss, and if the producer should make a sale in excess of the price fixed by the distributor the Interstate Commerce Commission could immediately deprive him of the right to sell his coal and he would have no right of appeal. I can not vote for any law which I think will deprive citizens of their property without due process of law.

I object to this bill for the further reason that it makes no exception in favor of contracts that have already been made. I have no doubt there are many coal mines in the country whose entire output has already been sold to factories or public service companies in other States at a price which has been fixed by contract agreeable to both parties. If this bill becomes a law and the Federal fuel distributor fixes a fair price below that mentioned in such a contract, it would be unlawful to deliver coal in accordance with the contract, and if the producer should do so the Interstate Commerce Commission could order an embargo and deprive him of all right of transportation. Is that a fair or just way for a Government to act toward its citizens? The Constitution expressly prohibits the States from enacting any law that will violate the obligation of a contract. I am unwilling for the Federal Government to itself pass any law that will violate the obligation of a lawful contract. I do not think the Federal Government can afford to do that which the Constitution expressly prohibits the States from doing and which the laws of the land prohibit individuals from doing. This bill ought to contain a provision excluding from its provisions coal sold or delivered under contract made in good faith before the passage of the bill. Without such a provision it is manifestly unfair and unconscionable and I can not support it.

I think, too, Mr. Chairman, that the language of the price-fixing provision of the bill is too indefinite and too uncertain in meaning to be a proper basis for the exercise of arbitrary power or for use in a criminal statute. The Supreme Court held certain parts of the so-called Lever Act unconstitutional because the language used in defining the crime was so vague and uncertain in meaning that the citizens could not know with certainty when they were or were not committing the crime. Now, this bill uses the expression "prevent extortion in prices charged for coal." What is extortion in prices charged for coal? What price would amount to extortion?

In determining that question would the fuel distributor consider the cost of production, or the condition of the purchaser? Would he allow the operator a profit above cost of production, and if so, how much of a profit? Would he take into consideration the hazard of the business in determining what the price of the coal should be? Or, on the other hand, would he consider the condition of the purchaser, whether poor or rich? One price of coal might be considered extortionate to a poor man in need of fuel and at the same time be considered reasonable to a wealthy man who is amply able to pay. Would any price be an extortion, if purchasers were able and willing to pay it? What is the standard for determining extortion in prices of coal? No one can tell with certainty what the expression means.

I have consulted the law textbooks and judicial decisions to find what it means. I find that the word extortion has a technical meaning in law. It means the collection of money where none is due, or the collection of more money than by law is due by one holding a public office. It implies the use of force exerted by the person who commits the act upon the person who must pay the money under protest. That is in substance the definition of extortion in statutes and in the laws. But evidently it is not used in that sense in this bill. One person might construe it to mean one thing and another person another thing. It is indefinite and uncertain what it does mean, and for that reason it more than likely would render the bill invalid.

Another grave injustice will result from this bill because of the fact that there will be one price fixed by the Federal fuel distributor for fuel shipped in interstate commerce, and another price fixed either by the natural law of supply and demand or by some State tribunal for fuel shipped in intrastate commerce; so that mines similarly situated and perhaps in the same communities, each contributing proportionately and alike by taxes to the expenses of the Government, will not be permitted to receive the same or similar prices for their products. This will

tend to disturb and demoralize the industry and to discourage production.

Mr. ROSSDALE. If a man charges you \$22 or \$25 a ton for coal, what would you call that?

Mr. DENISON. I would call that an exorbitant or unreasonable price.

Mr. ROSSDALE. You would not call it extortion?

Mr. DENISON. No; because it is not extortion, and you can not find the word so used in any law book or in any existing statute.

Mr. ROSSDALE. Would you tell the American people that it was not extortion?

Mr. DENISON. Well, I am telling you.

Mr. Chairman, if there were anything that Congress could properly and justly do within our powers to prevent profiteering in coal or to prevent unreasonable and unjust prices being charged, either by those producing coal or those selling coal at retail, I would not hesitate a moment to do it. I think that the operator of a coal mine or anyone else who would take advantage of the serious situation that has arisen by reason of the coal strike to exploit the people by charging outrageous prices ought to be ostracized from decent society and punished, if there is any law to punish them. I think the States themselves should immediately pass the necessary legislation to punish such practices, if they can do so. But however much I may condemn such conduct or wish to prohibit such imposition upon the people, I am unwilling to try to prevent it by such legislation as this, which, in my judgment, will be futile and will go beyond our constitutional power.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois [Mr. DENISON], which the Clerk will again report.

The amendment was again reported.

The question was taken, and the amendment was rejected.

Mr. BOIES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BOIES offers the following amendment: Amend the bill by adding thereto and incorporating therein a new and additional section immediately following section 5 of the bill, on page 4, to be designated as section 5½, and the same to read as follows:

"The Interstate Commerce Commission is authorized, and said commission is hereby directed and required, in view of the present declared emergency and to further promote the general welfare, to reduce by 50 per cent the freight rates and carrying charges now in force on coal and other fuel of railroads and other common carriers transporting coal or other fuel in interstate shipments, this provision and said reductions of carrying charges to become effective 10 days after the passage of this bill, and to continue in force and effect for the period of eight months.

"To the extent of its power and authority, the Interstate Commerce Commission is hereby authorized and directed to likewise and to the same extent as above provided, reduce the freight rates and carrying charges of coal and other fuel in intrastate shipments by railroads and other common carriers."

Mr. NEWTON of Minnesota. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota makes a point of order against the amendment.

Mr. NEWTON of Minnesota. It is not germane to the section.

Mr. GRIFFIN. Mr. Chairman, it ought to be read again.

The CHAIRMAN. What is the point of order of the gentleman from Minnesota?

Mr. NEWTON of Minnesota. The point of order I make is that the amendment is not germane under the rules of the House. This is an amendment having to do with the reduction of freight rates. Clearly there could be no question about the lack of germaneness.

Mr. GRIFFIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRIFFIN. My inquiry is as to whether or not the Clerk has concluded the reading of the amendment.

The CHAIRMAN. The reading of the amendment was not concluded, but it has gone sufficiently far to indicate its character.

Mr. GRIFFIN. Then I make the point of order that the amendment should be read throughout before a point of order is interposed.

The CHAIRMAN. The point of order of the gentleman from New York is overruled.

Mr. BOIES. Mr. Chairman, section 5 is very broad in its language. It says, "other suitable measures in favor of or against any carrier," and it provides against profiteering. I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.



The CHAIRMAN. There can not be any doubt that the amendment offered by the gentleman from Iowa is not germane to the section of the bill or to any part of the bill. It has no relation whatever to the subject matter of the bill, and the Chair sustains the point of order.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that the debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the debate on this section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. GOODYKOONTZ. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GOODYKOONTZ: Page 4, section 5, line 10; after the word "emergency" insert a period and strike out the rest of the sentence.

The CHAIRMAN. The gentleman from West Virginia is recognized.

Mr. WINSLOW. Mr. Chairman, may we have the amendment reported again?

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

Mr. STAFFORD. Mr. Chairman, I make the point of order that, the committee having already taken action on the identic amendment, it is not in order to move this amendment.

Mr. GOODYKOONTZ. The amendments are not identical.

The CHAIRMAN. The gentleman from Illinois [Mr. DENISON] a short time ago offered an amendment exactly in the form that the amendment offered by the gentleman from West Virginia takes. The committee having voted it down, the Chair sustains the point of order.

Mr. GOODYKOONTZ. I beg the Chair's pardon. Those amendments are not alike.

The CHAIRMAN. The Clerk will read.

Mr. GOODYKOONTZ. Mr. Chairman, I insist that you examine those two amendments. They are not in the same language. I beg the Chair's pardon.

The CHAIRMAN. It strikes out the same words, "to prevent extortion in prices charged for coal and other fuel." It is exactly the same amendment.

Mr. GOODYKOONTZ. No, Mr. Chairman; it says, "and promote the general welfare."

The CHAIRMAN. The Chair has ruled. The Clerk will read.

The Clerk read as follows:

SEC. 7. The Federal fuel distributor may make such rules, regulations, and orders as he may deem necessary to carry out the provisions of this act and may cooperate with any department or agency of the Government, any State, Territory, district, or possession, or department, agency, or political subdivision thereof, or any person or persons, and may avail himself of the advice and assistance of any department, commission, or board of the Government, and may appoint or create any agent or agency to facilitate the power and authority hereby conferred; and he shall have the power to appoint, remove, and fix the compensation of such assistants and employees, not in conflict with existing laws, and make such expenditures for rent, printing, telegrams, telephones, furniture, stationery, office equipment, travel, and other operating expenses as shall be necessary for the due and effective administration of this act. All facts, data, and records relating to the production, supply, distribution, and transportation of coal and other fuel in the possession of any commission, board, agency, or department of the Government shall at all times be available to the Federal fuel distributor and the Interstate Commerce Commission, and the person having custody of such facts, data, and records shall furnish the same promptly to the Federal fuel distributor or his duly authorized agent or to the commission on request therefor.

The CHAIRMAN. The Clerk will report the committee amendment.

Mr. ANTHONY. Mr. Chairman, I want to make a unanimous-consent request. I want to ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. ANTHONY. Mr. Chairman, the War Department has called the attention of Congress by means of a letter from General Pershing to the chairman of the Appropriations Committee that under their construction of the legislation recently enacted reducing the commissioned officers of the Army to not exceeding 12,000 in number that it would be necessary to eliminate several hundred more officers than was contemplated in the statement I made on the floor of the House. The figures which I then gave, that in the total reduction of 1,000 about 367 would come from the Medical Corps and chaplains, and that there would be a reduction of about 600 in total number

on the promotion list of officers, was substantially correct and would have been accomplished through the elimination and demotion provisions of the House bill if it had not been for a blunder made by the War Department itself in asking for the insertion of language by the Senate and prepared by the officer detailed from the General Staff, and which was accepted in conference. They intended to mitigate the severity of the provisions of the House bill, but their own language has proven to be more severe than the House conferees ever intended.

A propaganda of censure of Congress has since been carried on by the Army service papers and some of the newspapers of the country which have been influenced by them. Instead of criticizing Congress the War Department should more candidly admit that they have literally been "hoist by their own petard." The only criticism I am willing to stand for is that of having accepted the modification of the House language as written by the representative of the War Department itself and asked for in the conference without more careful scrutiny. The bill which I have now introduced is to relieve the situation for which the War Department is itself responsible.

When the Army appropriation bill was sent to conference the Senate amendment reducing the Army provided that the reduction of officers would be effected by elimination and absorption. The House had originally provided that the reduction should be effected by elimination and demotion. The final agreement of the conferees was to employ all three methods—elimination, absorption, and demotion.

The House conferees believed that the board of general officers charged with carrying out the provisions of the act, the board which is now in session in this city, should have full freedom of action in determining the number of officers to be eliminated, the number to be absorbed, and the number to be demoted. The Senate conferees wanted to restrict the board in demotions and absorption to a maximum of 800 officers. The suggestion to do this came from the General Staff officer working with the Senate committee and, therefore, from the War Department. This restriction was accepted by the House conferees. Of course it is this restriction on the number of officers that the board can dispose of by absorption and demotion which fixes the minimum number that must be disposed of by elimination. It is this latter minimum which must be eliminated that is causing all the present discussion and which necessitates remedial legislation.

I am introducing a bill which will carry out the original ideas of the House conferees. The board of general officers now engaged in carrying out the elimination provisions of the law have reached a point where it is possible to see that they should have some leeway in changing the authorized strength of the grades of colonel, major, and captain within very narrow limits, and that with this leeway and no restriction in their power to demote officers, it will be unnecessary to have any additional officers in any of the grades on January 1, 1923. In other words, the authority to dispose of surplus officers by absorption will be wiped out by this substitute and all officers will be disposed of, just as the House conferees believed they should be, by elimination and demotion. As between absorption and demotion there is no doubt in my mind but that demotion is far preferable.

Absorption means stagnation in promotion, means shutting the door in front of the junior officers for perhaps years to come, a condition that in my opinion is demoralizing to the officers of the Army. It means carrying surplus officers in all the grades and for no purpose other than to provide a berth for them until absorbed. While demotion, on the other hand, means forcing back into their proper grades the officers who were promoted too rapidly, but at the same time means that after January 1, 1923, there will be a steady, healthy flow of promotion in the Army, not a normal flow, because all promotions by reason of these eliminations at this time will be slowed down not only below the absurdly rapid rates of the last two years but below what should be a normal flow of promotion, and what we expect under the terms of the original act of June 30 and of my bill will be, in the course of a very few years, a normal flow of promotion. In other words, this bill, which wipes out the power of the board to dispose of officers by absorption and gives to the board great freedom of action in carrying out the reduction in the manner and by the two methods originally advocated by the House, will, in my opinion, accomplish the purpose in the best possible manner and to the greatest degree of satisfaction to the Congress and even to the Army itself. And under the terms of this bill not one single promotion-list officer, in my opinion, will be separated from the service unless, in the opinion of this board



of distinguished generals, he is considered to be among the group classified by General Pershing as least effective. So that, if this bill becomes law, all this talk about having to get rid of officers with splendid records can stop.

The conferees were careful in the act of June 30 to safeguard the promotion-list standing and relative rank of the demoted officers. It has come to my attention that the Comptroller General is just about ready to render an opinion that the demotion of an officer operates to separate him from the military service and thereby changes his pay status. This should not be—in fact, it would be demoralizing—so I am including in my bill the language necessary to correct this situation. Generals Dickman and McCain, who are retired officers, who have been called to active service to perform the very important duty of serving on the board charged with carrying out the elimination provisions of the act, are not, under permanent law, entitled to active pay while on this active duty. It is only just to them, while they are performing a duty of such great importance, that they should receive the active pay of their grade. I am including in my bill the necessary authority for this.

All I have to add to this statement is this: I am in favor of a strong Regular Army, but I want to see it organized with some degree of proper proportions in the various grades—not absurdly top-heavy with high-ranking officers and no second lieutenants. And I want to see a flow of promotions in the various grades, not stagnation, even though for a time the officers who receive the promotions will be the very ones who have been demoted. On my record as one Member of this House who has taken an active part in the constructive Army legislation which has been enacted since the war I am willing to stand on the facts, but not on the untruths and misstatements that are carried from week to week in the service papers.

The following is the bill above referred to:

A bill (H. R. 12493) amending the act of June 30, 1922, making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes.

*Be it enacted, etc.,* That the President, upon the recommendation of the board of general officers convened to carry out the elimination provisions of the act entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes," approved June 30, 1922, is authorized to determine the number of officers below the grade of lieutenant colonel that shall be discharged and recommissioned in the next lower grade, notwithstanding the limitation of 800 in said act: *Provided*, That the President is authorized, upon the recommendation of said board, to increase the authorized strength of various grades as prescribed in said act by not more than 50 colonels, 150 majors, and 250 captains, and to decrease by a total of not to exceed 450, apportioned among the grades as the President may determine, the authorized strength of the two lowest grades as prescribed by said act: *Provided further*, That on and after January 1, 1923, there shall be not to exceed a total of 12,000 officers in the Army, and on and after that date the authorized number in each grade shall be as prescribed in said act or as modified and prescribed by the President in accordance with the provisions of the preceding proviso, and on that date there shall not be any promotion-list officers in any grade in addition to these prescribed numbers: *Provided further*, That the discharge and recommission of officers in the next lower grade shall not operate to reduce the pay or allowances which they are now receiving or to deprive them of credit for service now counted for purposes of pay or retirement.

Sec. 2. That the retired general officers who have been called to active duty for service on the said elimination board shall be entitled while so serving to the active pay and allowances of their grade.

Sec. 3. That all laws and parts of laws in so far as they are inconsistent with this act are hereby repealed.

Mr. REED of West Virginia. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from West Virginia makes the same request. Is there objection?

There was no objection.

Mr. WINSLOW. Mr. Chairman, I shall object to further requests during the consideration of the bill.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 4, line 22, strike out the words "provisions of," and insert in lieu thereof the words "duties imposed upon him by."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, line 5, strike out the word "hereby" and insert the word "herein."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, line 5, after the word "conferred" insert the words "upon him."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 8. Whenever the President shall be of the opinion that the existing emergency has passed he may by proclamation so declare, and thereupon the exercise of the powers conferred under this act shall be suspended until such time as they may be revived as hereinafter provided.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 5, line 24, after the word "suspended" strike out the remainder of the paragraph.

Mr. BLACK. Mr. Chairman, I offer an amendment.

The CHAIRMAN (Mr. TOWNER). The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Strike out all of section 8 and insert the following language:

"Sec. 8. That the provisions of this act shall cease to be in effect on March 4, 1923; but the termination of this act shall not affect any act done, or any right or obligation accruing or accrued, or any suit or proceeding had or commenced in any civil case before the said termination pursuant to this act; but all rights and liabilities under this act arising before its termination shall continue and may be enforced in the same manner as if the act had not terminated. Any offense committed and all penalties, forfeitures, or liabilities incurred prior to such termination may be prosecuted or punished in the same manner and with the same effect as if this act had not been terminated."

Mr. BLACK. Mr. Chairman, the bill gives the President the power to determine when the extraordinary authority granted in this bill shall cease. If my amendment is adopted the authority of the bill will definitely cease on the 4th of March, 1923, which is the expiration of the present Congress. I have not drawn the amendment hurriedly or without consideration. The amendment is identically the same as section 24 of the Lever Food and Fuel Control Act, except that there is this difference: Section 24 of the Lever Food and Fuel Control Act provides that the authority of the act shall cease upon the termination of the war with Germany, whereas I have provided in the amendment which I have just offered that the authority of this act shall terminate March 4, 1923.

Mr. HOCH. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. HOCH. According to the gentleman's amendment, the power under this act would necessarily continue until the 4th of March, 1923?

Mr. BLACK. Yes. If the bill is to do any good at all, I presume it would be necessary to grant the authority for that long a time.

Mr. HOCH. Whereas it is hoped by many of us it will not run anywhere near as long as that.

Mr. BLACK. Yes; of course we hope it will not be necessary to grant these extraordinary powers for very long, and that is why I want to give them a definite limitation. Congress would be in session and have complete control of the matter, and if it thought it necessary to further extend the life of the act it could do so. No one ever expected when the Interstate Commerce Commission was created that jurisdiction would be conferred upon it to fix the price of commodities like coal by means of the power to withhold transportation facilities to persons, firms, and corporations not conforming to the commission's idea of a fair price. Congress has conferred from time to time upon the Interstate Commerce Commission the power to fix the cost of interstate transportation and to provide rules and regulations to carry on such transportation. In my judgment the commission has got a pretty large job cut out for it if it effectually deals with the matters properly falling within its jurisdiction, without embarking upon the uncharted sea of price fixing. I am not condemning the commission. It is not my understanding that its members are seeking this authority. What I am saying, however, is: If Congress is going to embark on the field of price fixing, some other method had best be adopted than the one sought to be applied in this bill.

When I voted for the Cummins-Esch railroad bill, I voted to give the commission very large powers over rates, car service, use of terminals, determination of priorities, and other related matters. I did that because I thought it was necessary in order that the people might be furnished efficient transportation. These powers already given to the commission are entirely sufficient to enable it to see that coal is freely moved to any part of the country where most needed, and wherever necessary that priorities are given. That is going about far



enough. I think. I have never thought that Congress had the power to regulate the price of commodities or services unless it be with regard to a public utility engaged in interstate commerce like the railroads, and yet, gentlemen, under this bill you give authority to the Interstate Commerce Commission—

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLACK. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLACK. This bill, as I have already stated, makes a very unusual grant of power, one that I can not bring my mind to vote for. I think there are other and far better ways of handling the present situation than this bill proposes. Mr. Aitchison, a member of the Interstate Commerce Commission, in speaking of certain features of this bill, said:

And if legislation for the future is to address itself through the medium of the extraordinary car service power of the Interstate Commerce Commission to reach prices, most of us frankly recognize that the power must be so broad in its terms that we can reach the case of 100 per cent car supply where there is no transportation disability, and say to the prospective shipper that because the price which you are demanding for your product is extortionate you shall not participate in interstate commerce.

Now, let me say this: The courts of the country have ruled that cars, whether used wholly within the State or not, are instruments of interstate commerce, and all the motive power of the railroad are likewise instruments of interstate commerce. The commission has entire control over the cars and motive power. Under this bill, if the commission is of the opinion that any particular mine is charging a price which it does not deem to be fair, it can withhold transportation service. I hold no brief whatever for producers of coal, but I do say that is a very far-reaching power to confer upon a regulatory commission.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. SANDERS of Indiana. As a matter of fact, the way the bill is drawn now it does not limit it to carriers engaged in interstate commerce, it uses the broad term carriers and applies to intrastate as well as to interstate.

Mr. BLACK. I do not think there is any doubt about that. Now, in conclusion, let me again say that if we are going to grant such extraordinary powers to the Interstate Commerce Commission it ought to be definitely known that it is only a temporary proposition and does not extend beyond the 4th of March, 1923. That is why I have offered the amendment and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. BARKLEY. Mr. Chairman, I move to strike out the last word. I desire to ask the chairman of the committee what his purpose is with reference to continuing the consideration of the bill for a while longer, or rising now?

Mr. WINSLOW. The chairman of the committee has no particular interest one way or the other, except to please the members of the committee.

Mr. BARKLEY. It seems to be certain that we can not finish the bill to-night.

Mr. WINSLOW. Almost everybody who has spoken to me has asked that we go on and finish the bill.

Mr. BARKLEY. There is hardly any probability that we can finish the bill to-night, and we might make time if we could come back fresh to-morrow.

Mr. TAYLOR of Tennessee. Why can we not finish the bill to-night?

Mr. BARKLEY. Probably there will be amendments offered later on which will consume considerable time.

Mr. TAYLOR of Tennessee. Some of our Tennessee delegation are very anxious to get away to-night.

Mr. BARKLEY. You can not possibly get away to-night without keeping us here very late.

Mr. WINSLOW. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. DOWELL having taken the chair as Speaker pro tempore, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 12472 had come to no resolution thereon.

#### ADDITIONAL DISTRICT JUDGES—CONFERENCE REPORT.

Mr. VOLSTEAD presented the conference report on the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to author-

ize the designation, assignment, and appointment of judges outside their districts, and for other purposes, for printing under the rule.

#### ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 11396. An act to regulate foreign commerce in the importation into the United States of the adult honeybee (*Apis mellifica*);

H. R. 11699. An act relating to the appointment of the Chief of Staff of the Army;

H. R. 5775. An act for the relief of Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers & Merchants State Bank, Kenmare, N. Dak.;

H. R. 858. An act for the relief of Alfred P. Reck; and

H. R. 4. An act granting relief to soldiers and sailors of the war with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses; and to amend section 2 of an act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917.

#### SALT RIVER RECLAMATION PROJECT—CONFERENCE REPORT.

Mr. SINNOTT presented the following conference report for printing under the rule:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, and 4, and from its amendment to the title of the bill, and agree to the same.

N. J. SINNOTT,  
ADDISON T. SMITH,  
CARL HAYDEN,

*Managers on the part of the House.*

CHAS. L. McNARY,  
W. L. JONES,  
MORRIS SHEPPARD,

*Managers on the part of the Senate.*

#### STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

The effect of the action agreed on by the conference committee is to restore the bill to the form in which it passed the House.

N. J. SINNOTT,  
ADDISON T. SMITH,  
CARL HAYDEN,

*Managers on the part of the House.*

#### LEAVE TO EXTEND REMARKS.

Mr. REED of West Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the pending bill.

Mr. VAILE. Mr. Speaker, I make the same request.

Mr. GRAHAM of Illinois. Mr. Speaker, I make the same request.

Mr. BARKLEY. Mr. Speaker, I make the same request.

Mr. GRIFFIN. Mr. Speaker, I make the same request.

Mr. ECHOLS. Mr. Speaker, I make the same request.

Mr. KREIDER. Mr. Speaker, I make the same request.

Mr. VARE. Mr. Speaker, I make the same request.

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent that all Members of the House have five legislative days in which to extend their remarks in the RECORD on this bill.

Mr. CHINDBLOM. Their own remarks on this bill.

Mr. WINSLOW. Yes.



The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent that all Members of the House have five legislative days in which to extend their remarks on this bill. Is there objection?

There was no objection.

The extensions of remarks referred to are here printed in full as follows:

Mr. PERKINS. Mr. Speaker, no one disputes the fact that a national emergency exists in the mining and transportation of coal. That is admitted on every hand. We all know that the coal bin is empty, and we are all worried about our winter's supply. How shall we get it, and how shall we prevent ourselves from being gouged by the profiteer?

With this national emergency confronting us, shall we sit supinely by and merit the name of a do nothing Congress, or shall we do everything within our constitutional limits to see that the people of the country get coal, and get it at reasonable prices? Of one thing we can be sure, the coal manipulator and profiteer will be on his job this fall and winter.

All our experience teaches that the tendency of the price of coal is ever upward. The consumer to-day is paying from two to three times the pre-war price. No one seems to understand why, but he pays just the same. As a consequence of the miners' and railroad strikes, there is a situation for which the public is bound to pay dearly. No matter who wins, the public loses. Coal is a commodity that enters into every man's daily life, as almost no other does.

The fuel distribution committee has unquestionably done splendid work, but it can not cope with the situation existing at the present. The administration has gone to the extent of its powers, and it is now necessary for the Congress to take action. There is an almost total exhaustion of coal stocks, and in addition a growing shortage in transportation.

At the very best the coal situation this winter will bring privation and suffering to many homes, and unless we act promptly, conditions will be greatly aggravated.

After declaring that a national emergency exists the primary object of this bill is to grant an extension of the powers of the Interstate Commerce Commission in such a way as to give positive priority to the movement of nonprofiteering coal. The bill does not seek to directly regulate the price, but puts it in the hands of the Interstate Commerce Commission to prevent profiteering through its power of regulating or withholding the means of transportation. It goes on the theory that if the profiteer can not get cars for transporting his coal he will sell at a reasonable price rather than not sell at all.

Ordinary competition in buying when the stores are depleted is bound to send the price of coal soaring. Add to this the unusual opportunity afforded the profiteer as winter approaches when everybody must have coal and we have a situation that demands immediate congressional action.

Of course we all know that the Congress has no constitutional power to fix the price of any commodity by direct legislation. At the same time we must realize that the man with the empty coal bin ought not to be left to the mercy of either the coal manipulator or profiteer.

The provisions of this bill are well within our constitutional bounds. The bill does not attempt to fix prices but it does provide a method, when the price is unreasonable or extortionate, for imposing an embargo or denying transportation facilities to the offender.

The emergency, in my opinion, is so great that had the President requested power to seize the mines and the necessary transportation facilities I would have voted to grant him such power. But we are not asked to grant such sweeping powers. The method in this bill is far from being so radical and at the same time promises to be thoroughly effective. Mr. Hoover, the chairman of the fuel committee, has stated that the plan proposed in this bill is the most effective and expeditious for taking care of the emergency that has been suggested.

Every home in the land is affected by the coal scarcity. It is our plain duty to do what we can to prevent extortion.

It is not the intention or design of this measure to interfere with the legitimate coal business or with the nonprofiteering coal operator. But it is the intention to confer upon the fuel distributor and the Interstate Commerce Commission such powers as may be necessary to curb the speculator and profiteer in coal.

Under the bill it will be the duty of the fuel distributor to ascertain the available supply of coal and other fuel, and whether there exists a shortage within the United States; to ascertain the fields of production of coal, as well as the principal markets to which such production may be transported; and to further ascertain the prices normally and usually

charged for such coal, and whether current prices are just and reasonable; and the kind and location of the consumers, and who should receive priority in transportation and distribution, and make appropriate recommendations to the Interstate Commerce Commission, to the end that an equitable distribution of fuel may be secured. Upon the information so furnished by the fuel distributor, the Interstate Commerce Commission will issue orders for priorities in car service, embargoes, and other suitable measures for the best meeting of the emergency and the curbing of fuel profiteers.

Such a measure is at this time absolutely necessary for the general welfare of the people of the country, and I shall therefore give it my full support.

Mr. COLE of Ohio. Mr. Speaker and gentlemen of the House, I am in favor of these regulatory measures in the emergency with which we are now confronted.

We have reached the point in our political and industrial life where it behooves every loyal citizen to pause and take stock for the future. The strike menace in this country has become intolerable. When it becomes necessary for the Chief Executive of the United States to lay aside the arduous duties that necessarily devolve upon him and for months devote his time almost exclusively in an attempt to settle industrial disorders, the whole country becomes aware of the approach of a power that menaces our very freedom.

The development of a great portion of our vast domain has been wholly accomplished through the instrumentality of our network of railroads. When the great transcontinental lines cease to operate the business of that portion of the country that depends upon them will cease to function and the people, wanting food and fuel, will be forced to abandon their loved homes or suffer and perish for want of the necessities of life.

We boast, and rightfully, of our boundless resources. Not only do we produce abundantly for all our people but yearly export millions of dollars' worth of our products to foreign nations, and yet it is proven that in the midst of this wonderful production, under our own flag, conditions may arise that will bring ruin and death to thousands of our people. Gentlemen, "these things ought not so to be."

The President, ever mindful of the welfare of all the people, his great heart pulsating in sympathy with the suffering public, has voluntarily chosen to enter this seething vortex of industrial disorder and seeks to bring order out of the awful chaos.

But even the President is limited in his powers to act in such an emergency, and the most intelligent falter in attempting a solution of the problem. Government control and operation should be the last resort. Our costly experience in that particular during and following the war is still a bugbear in the minds of the people. Yet something must be done, and speedily. Such a procedure would further disturb the fiscal policies of the Nation, but human lives are not to be measured with money and human suffering must not wait long upon private industrial adjustments.

Conferences have failed. Proposals and counterproposals have come to naught. There stand the two opposing forces, grim determination depicted in every line and feature, while the great American public and the great American industries, in helpless repose, stand the mute and silent victims of the foul emanations of selfishness and hate. Eliminate these two elements and industrial peace and prosperity will speedily follow. The recurring nausea of industrial disturbances will never cease until all classes of our people are willing to go back and stand fairly and squarely upon the fundamental principles and laws of the land, as established by our fathers.

The American people have a divine mission to fulfill in the world, which is the maintenance of the faith of our fathers. The highest destiny of our Nation and welfare of our people are grounded in that faith, and if in that faith our Nation was conceived and brought forth it is in that faith it must live and achieve its highest destiny. Driven from their loved homes in the Old World, not so much because of the lack of material resources, but because of the bans to their freedom of action and conscience, they bade adieu forever to the limitations of the mother country and established here the highest type of government of which the mind of man, aided by divinity, is able to conceive. They were not so much concerned about the tremendous possibilities embraced in the vast physical resources of the country. The sweeping plains, the boundless forests, the majestic streams, the sublime mountains, were all subservient to the appealing theme of civil and religious liberty.

Material development and great wealth were not the highest goal. To them this was not to be a government of sweeping plains, of rich mines, of towering mountains, of majestic streams, but a government of the people, and the marvelous material resources were considered valuable only in so far as



they contributed to the development of the people in civil and religious life. These were some of the lofty motives that sponsored the establishment of the Government.

Where are we to-day? I am not content to assume the role of a pessimist. One who is somewhat familiar with the humble beginning of the Republic and standing to-day in the midst of the marvelous achievements that have been wrought can not restrain an emotion of genuine pride that his destiny is coincidental with such a Government. But when one great class of our people undertakes to humiliate and harass another class at the expense of both themselves and the whole, we are drifting away from the fundamentals, and it is high time that warning voices were heard.

Happiness and contentment among all conditions of our people is the highest conception of the purpose of government, and therefore should be the basic motive of all American activities. When we have gone so far in our mad frenzy for riches that we are content to disregard the baneful effect upon our fellows, we have lost the faith of our fathers and become a detriment to the welfare of our country.

On the other hand, if our endowments are such as to make it incumbent upon us to labor in the physical walks of life, our greatest contribution to the welfare of the Nation is a feeling of appreciation for the opportunities afforded, and to insist, not through hatred, not through destruction of property, but through love of home and country, that the reward for our labor shall be in keeping with the American standards of living and make possible the abundant instillation of high ideals of citizenship in the hearts and souls of the rising generations.

I believe that the industrial relations of our Nation could be so adjusted as to bring a reasonable degree of happiness and contentment to everybody, but that comprehends recognition of the humanity in every man, regardless of his sphere in life.

There are both material and mental opportunities and obligations in the world. He who feels an inclination to perform labor in the material world should and may have that inclination gratified, and he who feels an inclination to perform labor in the mental world should and may have that inclination gratified. These inclinations are born with us, hence are endowments from the Creator Himself. So that when a man occupying a position by reason of the exercise of his mental faculties thinks himself better or more exalted than one who is exercising his faculties in the material world, he is questioning the wisdom and judgment of the great Creator and is therefore a detriment to the welfare of humanity.

It matters not to what eminence in the political world a man may have attained, it matters not how great his accumulation of wealth, it matters not how vast his store of knowledge, he is not better than any other man who is exercising his talents in the realm of his choice, and if he have superior talents it is his bounden duty and primal obligation to exercise those talents to the fullest extent in an endeavor to ameliorate the wants of men and to assist in their elevation to higher planes of living; for there is no honor, there is no exaltation, there is no excellency, except in honest endeavor for the welfare of one another.

If these principles had been invoked in the beginning, this strike never would have been called, and we shall never cease to be troubled with industrial disturbances until these principles are invoked.

This strike, however, is not a theory but a deplorable fact. No one who is familiar with the law will question the right of a man or number of men to quit work whenever they feel like it or for any cause except in violation of a contract. But the right to work is as inviolable as the right to cease work, and can never be otherwise under any just arrangement. No normal man who has kept step with modern progress will question the right of labor to organize for mutual welfare and benefit. Neither will he question the right of capital to combine, that the great industries of the country, industries that furnish employment to labor, might be fostered and kept in motion. These two, labor and capital, should work amicably together. They are interdependent. Without the one the other can not survive. Why, then, this constant warfare? And while this war is on not only do the parties to the controversy suffer economic loss but the great public must endure unnecessary privation.

Capital was the first to organize. The development of the country necessitated such organization, and I am inclined to think had capital treated its labor fairly there never would have been any organization of labor. They were driven to it through the onus of self-protection. Therefore capital ought not now find fault with labor for combining. It is an obvious fact that where labor receives a just reward and recognition

that institution is never hampered with a strike. That principle is exemplified in the President's own establishment at Marion, Ohio.

It is a regrettable fact that heinous crimes are often committed during the period of a strike. Unscrupulous agitators have drifted in, and from within, like a loathsome disease, gnaw at the very vitals of our industrial life. With secret, scheming, ulterior motives they circulate among the men, scatter the deadly venom of vile hate, and morality, innocence and all decency are submerged in the cauldron of crime. They have no use for government; they despise the restraints of legal freedom; and secreted in the brambles of deceit, like a venomous reptile, strike the innocent victim, and the poison of rebellion does its deadly work. No punishment is too severe for this law-breaking, authority-defying element. "Creatures and parasites of the devil" are they, and the sooner they are sent to their damnable reward or banished from our shores the better for our country.

But equally as bad, equally as loathsome, are they who will attempt to take advantage of a situation such as the one with which we are now confronted and wantonly, needlessly, and soullessly raise the price of the commodities over which they have control or lower the wages of labor for the purpose of extorting from the helpless of the country that which is needed to provide the bare necessities of life. When these people are literally crushed beneath the overwhelming sentiment of an outraged public, then, and not until then, may we hope to experience surcease of industrial sorrows.

The profiteer, traitorous product of the World War! While the flower and hope of American manhood on the fields of Flanders and elsewhere were making the supreme sacrifice upon the altars of our country, and while the great body of the American public were enduring every known privation to support them in their patriotic devotion, these leeches of society, calling themselves American citizens to the disgrace and dishonor of our fair name, were drawing, drawing at the very vitals of our body politic, and there is no punishment too severe to mete out to them.

For five long months the President has been exerting the powers and prestige of his high office in an endeavor to effect a settlement of this strike, using every known argument to bring the disputing parties together to the end that all threatened hardships to the great mass of our people might be averted. On the 18th of August he appeared before a joint session of Congress and delivered one of the greatest messages ever heard in this Chamber, suggesting ways and means whereby the awful calamity of nonproduction and nondistribution might be checked. In concluding that message the President said:

In the weeks of patient conference and attempts at settlement I have come to appraise another element in the engrossing industrial dispute of which it is only fair to take cognizance. It is in some degree responsible for the strikes and has hindered attempts at adjustment. I refer to the warfare on the unions of labor. The Government has no sympathy or approval for this element of discord in the ranks of industry. Any legislation in the future must be as free from this element of trouble making as it is from labor extremists who strive for class domination. We recognize these organizations in the law, and we must accredit them with incalculable contribution to labor's uplift. It is of public interest to preserve them and profit by the good that is in them, but we must check the abuses and the excesses which conflict with public interest, precisely as we have been progressively legislating to prevent capitalistic, corporate, or managerial domination which is contrary to public welfare. We also recognize the right of employers and employees alike, within the law, to establish their methods of conducting business, to choose their employment, and to determine their relations with each other. We must reassert the doctrine that in this Republic the first obligation and the first allegiance of every citizen, high or low, is to his Government, and to hold that Government to be the just and unchallenged sponsor for public welfare, and the liberty, security, and rights of all its citizens. No matter what clouds may gather, no matter what storms may ensue, no matter what hardships may attend or what sacrifices may be necessary, government by law must and will be sustained.

Wherefore I am resolved to use all the power of the Government to maintain transportation and sustain the rights of men to work.

What clearer, fairer proposition for both sides could possibly be expressed? What shall be the hope of our country if its Chief Executive declare not for the enforcement of law? What just criticism can be offered to such a declaration?

We must never forget that both capital and labor, as well as the great American public, are always and forever absolutely dependent upon the maintenance and perpetuity of the great American Union. If our Government fail, all that we have, all that we are, and all that we can hope to be will follow in its lurid wake. There will be no strikes, but revolution. There will be no law, but license. There will be no peace, but death.

At this time of extreme emergency let us enact these laws granting to the Government the authority to regulate and control the production and distribution of the necessities of life so long as the need exists. And then awake, America! Let every loyal citizen realize that it is his Government that is being weighed in the balance; that it is his future that is being



threatened with destruction. Then let us turn from our petty political bickerings, authorize the amicable adjustment of our domestic industrial disturbances, eliminate from the body politic every semblance of soviet disorder, foil the unholy conceptions of every disloyal profiteer, and with keen, unobstructed vision may we all peer into the clear vista of the future, behold the brilliant star of our destiny, full orb'd in the firmament of nations, guiding the old ship of state safely toward the harbor of the highest possible attainments in governmental perfection.

**EMERGENCY COAL LEGISLATION—A FEDERAL FUEL DISTRIBUTOR WITH NOTHING TO DISTRIBUTE.**

Mr. GRIFFIN. Mr. Speaker, I spoke against this bill yesterday and gave the reason for my opposition. It is not that I am opposed to its purpose or that I am lacking in appreciation of the gravity of the coal situation. My objection is that the measure does not go far enough. It falls amazingly short of the scope which we were led by the President's message to expect.

He appeared before the joint session of the two Houses of Congress on August 18 and said:

If it may have your approval, I recommend immediate provision for a temporary national coal agency, with needed capital, to purchase, sell, and distribute coal which is carried in interstate shipment. I do not mean that all interstate coal shall be handled by such a Federal organization; perhaps none will be necessary; but it will restore its capital to the Public Treasury and will be the instrumentality of guarding the public interest where private conscience is insensible to a public need.

I heartily concur in the purpose which seemed then to have animated him, and regret that he has been led, in some way, to change his views, and stand for less than he rightfully demanded and the crisis requires.

In the report of the Committee on Interstate and Foreign Commerce we find this very frank admission. The chairman of that committee is always blunt and candid, and I have always admired in him those rare and commendable traits. He says:

Since the utterance of the foregoing suggestion by the President, his advisors, including members of the voluntary committee appointed by the President, and those also who have advised and assisted in the preparation of this bill (H. R. 12472) have determined and agreed that the possible plan suggested by the President could be well set aside and another method followed in working out the problem. The President is in accord with this conclusion.

While the bill was under discussion yesterday, however, the gentleman from Alabama [Mr. HUDDLESTON] called attention to the fact that the President is not altogether "in accord" with the conclusion of the committee. The Washington Star so quotes him or, at least, states that he has not abandoned the idea promulgated in his message of legislation providing for a national coal agency to purchase, sell, and distribute coal to guard the public interest "where private conscience is insensible to a public need."

**THE TERM "FEDERAL DISTRIBUTOR" A MISNOMER.**

I think the President must realize, as the people sooner or later will find out to their sorrow, that the bill before us, offered as a substitute for the President's plan, is a hollow mockery and a sham. As I pointed out yesterday, the name of "fuel distributor" is a misnomer. He has nothing to distribute and has no powers, except to investigate certain phases of the coal situation. For instance, among the foolish things he is authorized to investigate is whether or not there is a shortage of coal. And when he is done investigating, all he can do is to make a recommendation to the Interstate Commerce Commission. Then that body can "in its discretion," according to section 5 of the law, "issue such order or orders for priority in car service, embargoes, and other suitable measures in favor of or against any carrier or region, municipality, community, person, copartnership, or corporation."

What is the sense of appointing a Federal fuel distributor who has not the power to distribute and where the real power to meet the situation is vested in the Interstate Commerce Commission? Would it not be better to intrust control of the entire situation to the Interstate Commerce Commission? The obvious purpose of investing it with such plenary powers, as are provided in this bill, is to enable it to throttle profiteers by availing itself of its power to allocate cars for coal distribution?

The Interstate Commerce Commission is clearly the commission, among all the branches of the Government, which ought to be intrusted with such control. I have no fault to find with the powers granted to the Interstate Commerce Commission. I would make them even larger and broader than they are.

What I object to is the interposition of the so-called "Federal fuel distributor," whose only function, it appears, is to organize another elaborate bureau in the maze of governmental

bureaus already burdening the taxpayer. He is given \$250,000 to organize this bureau and make jobs for the faithful. What a pity it is in this hour of the country's distress that even an eminent coal famine is taken advantage of to make jobs for partisan cohorts!

The pretense that a Federal fuel distributor is necessary to investigate and report to the Interstate Commerce Commission would be laughable if it were not so pathetic. He is required, under this bill, to investigate the very things and to ascertain the very information which other bureaus of our Government are amply competent to furnish. The United States Department of Geology can give full information as to the fields of production of coal and other fuel. The daily press can give the prices normally and usually charged for such coal and other fuel, and the public itself will testify, without much coaxing, that such prices are very far, indeed, from being "just and reasonable." Yet to determine these questions the Federal fuel distributor is called upon to organize a bureau at the enormous expense of a quarter of a million dollars.

**HOW ABOUT THE UNITED STATES COAL COMMISSION?**

If any bureau or instrumentality of government were necessary to collate and submit to the Interstate Commerce Commission information necessary upon which to predicate priority orders, why could we not intrust it to the United States coal commission, which Congress authorized last week with an appropriation of \$100,000? Congress was called together on August 15, with a great blare of trumpets, in order to pass the United States coal commission bill. I find that the authority of that commission runs largely parallel to the powers with which the Federal fuel distributor is vested. Its powers and the scope of its inquiries are much broader than that intrusted to the fuel distributor in the bill before us. The conclusion is therefore inevitable that the appointment of a Federal fuel distributor is to make patronage rather than to afford relief to the public.

**THE BOGIE OF "UNCONSTITUTIONALITY."**

I would prefer to see the Federal fuel distributor and his bureau eliminated from this bill, but the minority is powerless. I do not think we can afford to vote against it even for this glaring defect. I entertained the hope that enough public spirit would be aroused in this House to strike out that provision from the bill, but I can not discern among the bitterest opponents of the bill who have spoken on this floor any disposition to save the National Treasury. Most of the opposition against the measure seems to be based upon that vague and tenuous but persistent stand-by of forum orators, namely, "its unconstitutionality." They become very much wrought up over the prospect of seeing the poor coal profiteer deprived of cars to move his product by "unconstitutional" interference with private business, and all that sort of hoary persiflage. But, to my mind, it is this very prospect which offers the only ray of hope in the bill. That is the very reason why I have determined to vote for it. The Interstate Commerce Commission has control of the carriers. It has authority to fix rates for passengers and freight. Passengers and freight can not be carried without locomotives, and locomotives can not be run without coal. Coal is therefore an essential, fundamental element in the fixing of rates. It is as much a public utility as the vehicles it propels. Without it interstate as well as intrastate commerce would be impossible. My only hope is that the Interstate Commerce Commission will be permitted to get to work at the earliest possible moment to put an end to the most dastardly form of profiteering to which this country has ever been subjected.

Mr. ECHOLS. Mr. Speaker, the coal business has been prostrate now for about 20 months, except in very limited sections. The minute that there appears to be a revival of the industry we are asked to enact legislation that will again throw it into a chaotic condition. The purpose of the present bill, if it has any purpose at all, as has been admitted by its advocates, is that of regulating the price of coal in an indirect manner. We undertake to do a thing indirectly that we admit can not be done directly. The local press has suggested in the last day or two that it is proposed to fix a flat rate of \$10 or \$11 on bituminous coal when sold to the consumer here in the city. That suggestion shows how little price fixers understand the value of coal. It might as well be suggested that a flat rate be fixed on the sale of every pair of shoes or suit of clothes. Coal has different values the same as any other commodity. There are three distinct coal fields producing various grades of coal in the district that I represent, namely, the Kanawha, the New River, and the Winding Gulf fields. When the coal distributor makes his so-called investigation for the purpose of giving information to the



Interstate Commerce Commission, which regulates the price of coal by withholding cars, I venture the assertion that there will be a uniform price upon all the coal produced in that section, although it is well known to anybody familiar with the production of coal that the grades are not the same and that it costs more to produce in one field than it does in another. But it will all be bituminous coal, and it will all be in West Virginia within a comparatively limited area. Judging the future by the past, if any difference is made in the price, the producers of lower-grade coal will no doubt receive the higher price.

Here is the practical effect of this bill. A manufacturer doing business in my district goes to a coal producer within 3 miles of his factory and asks the price of a carload of coal. The producer says \$3.25 per ton. The coal distributor's agent on the ground says that is an exorbitant price. There are no cars available to ship coal at that price in this field. The freight rate is 25 cents per ton, and the total cost \$3.50 delivered at the factory. The producer is willing to sell at that price—he can not sell at a lower price and operate his mine. The manufacturer is willing to pay the price asked—he can not pay more and run his factory. Result—closed factory and closed mine and more men out of employment; or the manufacturer must go to some other coal field, if he can afford it, where some other governmental agent who knows nothing about the value of coal fixes a price at which the operator can operate his mine, buy his coal at perhaps a higher price and in addition pay \$2 a ton freight.

It has been admitted by every advocate of the bill who has mentioned that phase of the matter at all that there will be no difficulty in producing a sufficient quantity of coal for the needs of the country, but the bill is proposed because the railroads are unable to haul the coal to the places of consumption. The railroads have been "regulated" until they are a wreck. The advocates of Government regulation are now turning their attention to another industry that will not only not reduce the price of coal but will no doubt cost the consumers millions of dollars before we get away from the regulation. If any advocate of this bill will point out to me with any substantial proof of his statement where the Government has interfered with the business of the country as this bill proposes to do with the coal industry and thereby helped the consumer to obtain a cheaper commodity, then I will vote for this bill.

It has been pointed out by the gentleman from Indiana [Mr. SANDERS] that the bill confers no new power except the provision which undertakes to regulate the price of coal; that every other power conferred by this bill upon the Interstate Commerce Commission is now lodged in that commission by the transportation act.

I have not heard of the gentlemen from the New England States urging price fixing of shoes, woolen garments, or silken fabrics; and yet we know the prices of these commodities, necessities of life, are very much more out of proportion today than is the price of coal at the mines. Nor have I heard of the gentlemen from the Northwest who advocate the passage of this bill say anything about fixing the price of lumber, wheat, flour, or any other commodity produced in that particular section. They are anxious to fix the price upon everything except those things that immediately affect their constituents.

If we are to fix the price of coal, then we must necessarily fix the price of other commodities. One section of this country will not stand for the fixing of the price of the commodity produced in that section and allow the commodity produced in another section to be sold at extravagant and extortionate prices. It should not be so. For the past few years we have been paying from \$10 to \$20 for a pair of shoes that everyone who buys them knows that the cost of material and labor in those shoes is far less than 50 per cent of the price the consumer is required to pay.

If we are to believe the press, the Chief Executive admits there is no necessity for this bill at this time. We are here engaged in enacting legislation for which there exists no necessity, and for which there may never exist a necessity. We are meddling with an industry upon which the prosperity of the country must largely depend. We are preparing to appoint another man coal distributor. We might as well call him coal administrator, but that phrase is a sort of stench in the nostrils of the country by reason of the experience with the coal administrator during and after the war. It has been asserted that a single week's work of that Government agency cost the people of the country more than a billion dollars. If this bill is ever put into effect we will do well to get out with a cost of a billion dollars to the country.

Secretary Hoover says that practically all of the large coal producers of the country have kept faith in their gentlemen's

agreement upon the price of coal at the mines. In my own section 95 per cent of the coal producers have scrupulously kept their agreement with Secretary Hoover not to raise the price of coal. Is there any more danger in the future than there has been in the past? Everyone knows that the coal strike is ended and that the country can produce more coal than is required. Those who think know that there is keener competition among those who produce and sell coal at the mines than perhaps any other industry in the country, and everyone who thinks knows that competition is the only thing that will properly regulate the price of any commodity.

If the Congress is to follow the requests of departments and bureaus for more power in the regulation of the business of the country, then Congress and the country must expect stagnation of the industries until we get a Congress that will let the law of supply and demand regulate the business. We had reasonable freight and passenger rates in this country until too much regulation and Government control sent the rates to the sky line and stopped the building of railroads. What happened with the railroads by too much regulation will, of course, happen to the coal industry, only to a more marked degree, for the simple reason that there could never be the limited competition in the coal industry that is in the transportation of the country. This bill, when it becomes effective and is put into operation, will but add to the cost of coal to the consumer and serve to increase the existing industrial chaos, which has been largely augmented by Government boards and commissions.

It might be pertinent to ask, What does the Interstate Commerce Commission know about the coal industry? If we are to judge by what they have done with the transportation system, we might answer "nothing." Some members of the commission have devoted years of time to the transportation system, and yet I have heard of no one complimenting them upon their store of information about that particular subject. Now we are going to confer upon them additional powers in a matter that, it is safe to say, they know far less than they do about the transportation of the country. Who is the coal distributor to be—a doctor of medicine, a doctor of divinity, or a doctor of philosophy, as the coal administrator was. I do not mean any reflection upon these men. They are among our best and most useful citizens. It is reasonably safe to say that the coal distributor will not be a man who is familiar with the coal industry, and yet we are turning over the absolute control of one of the greatest industries in the country to a single individual, and his word, if it is anything at all, will be the law regulating that particular industry. Oh, he will have his assistants, clerks, stenographers, and so forth, selected from somewhere in the United States where they know nothing whatever about the difficulties and cost of producing coal or what is a fair price for it at the mine. From such an organization there will come favoritism, confusion, reduced production, and increased cost.

I venture the assertion that there is not a socialist in the country who believes in the nationalization of the industries but what is in favor of this bill. There is not an I. W. W. from the Atlantic to the Pacific that will not rejoice when he knows the Congress is considering the passage of a bill of this character. They know what this sort of legislation will inevitably lead to. Russia is gradually moving around on the other side of the globe.

If we are to judge by what has been said upon the floor of this House by the proponents of the bill, we are bound to reach the conclusion that they have but little confidence in any good resulting from its passage. Mr. MONDELL, the majority floor leader, consumed 20 minutes of the time of the House apologizing for his support of the bill and wound up intimating he had some slight hopes of some good coming from it, while earlier in his speech he admitted that in the end it would very probably do more harm than it would do good by prolonging the high price of coal to the consumer after the emergency has passed. There is no attempt to reach the coal broker, the man who has but little investment and employs but little labor and who is undoubtedly more guilty of profiteering than is the coal producer, who has millions invested and upon whom hundreds of thousands of people, including women and children, depend for a living.

What the country needs is fewer boards, commissions, and so forth, undertaking to deal with industrial matters instead of creating more of them. This so-called coal distributor has no function in the world that does not now belong to at least three other governmental agencies, namely, the Federal Trade Commission, the Bureau of Mines, and the Interstate Commerce Commission; and if the bill we passed a few days ago, called a "fact-finding bill," should become law, there will be five Federal agencies upon which are conferred exactly the same powers that are conferred by this bill upon the coal distributor.



Mr. BOIES. The speaker has some doubts as the germaneness of the amendment offered as section 5½ to H. R. 12472, a bill conferring additional powers upon the Interstate Commerce Commission on account of the coal and other fuel situation, and the declared emergency existing in the production, transportation, and distribution thereof. This amendment was intended to confer the power on the commission to reduce the present freight rates on coal and other fuel by 50 per cent.

If the amendment has no other effect it is hoped that the Committee of the House on Interstate and Foreign Commerce may be induced to prepare and introduce a bill authorizing and directing the Interstate Commerce Commission to fix reasonable freight rates on coal, and also on the produce from the farms of this country. This commission possesses that power and authority now—the only obstacle in the way is, will it take notice of the price of these commodities and act? If not, will the committee of the House having jurisdiction of the matter see to it that a law is provided at this session of Congress relieving an intolerable situation?

It is a well-known fact that the consumers of coal in this country have been required to pay outrageous prices during the past several years, and there is more than a suspicion lodged in the minds of the people that there has been unjustifiable profiteering along the road some place between the mouth of the mine and the door of the furnace. It is also well known that though Congress has often made an attempt it has not been able to ascertain the facts in connection with the mining and distribution and the sale of coal in this country. There should be no ownership in facts outside of the knowledge possessed by the people in general in connection with the production and sale of the necessities of life.

It is also well understood that the coal mines of this country have not been operated in the interests of the people but exclusively in the interests of the mine owners and with dead secrecy so far as the consumers of coal have been and are concerned. It is well understood that there is buried in the earth in the State of Pennsylvania bituminous coal sufficient to supply the needs of the people of this country for a thousand years, and that thousands of acres of coal land are owned by private individuals and corporations that will not be opened up during the lives of several generations to come.

The same wording and the same holding in construction of laws and in the construction of the Constitution of the United States should not necessarily obtain in connection with property rights in the coal fields of this country when the lives and the health of the people are in jeopardy. If the coal mines and the coal fields of this country may be permitted to remain locked at the expense of the consumers, then, to my mind, in such connection the preamble of our Constitution is meaningless.

The emergency exists to-day in respect to the production and transportation of coal and such emergency calls for new laws and not a hidebound construction of the provisions of the Constitution of this Government. Emergency has been the mother of all laws since the dawn of civilization, and it is time now for emergency to give birth to a new order of things rightfully connected with the mining and distribution of the fuel of this country.

I hope I understand as thoroughly as the ordinary individual that the transportation facilities of this country must be on a paying basis, and I would not favor a disturbance of such a situation. However, I feel that Congress during the past two years has dealt generously with the railroads of this country.

Glancing at the quotations in the newspapers this morning from the New York Stock Exchange, I saw that on yesterday's market there was almost a universal advance in the price of railroad stocks: The Baltimore & Ohio Ry. advanced \$1 per share; Brooklyn Rapid Transit 1½; Canadian Pacific advanced 3½; Chicago & Eastern Ill. advanced ½; the preferred \$1; C. & M. & St. P. Ry. advanced ½; its preferred stock ½; Chicago & N. W. advanced 3½; C., R. I. & P. advanced 1½; Erie advanced ½; its preferred advanced 1½; Erie 2d preferred advanced ½; Great Northern preferred advanced 1½; Great Northern Ore advanced ½; Illinois Central, standing at 108½, advanced ½; Lake Erie & W. advanced ½; Louisville & Nashville advanced \$1; Market St. Ry. advanced ½; M. & St. L., new, advanced ½; M., K. & T., new, advanced ½; M., K. & T. preferred, new, advanced ½; Missouri Pac. advanced ½; Missouri Pac. preferred advanced 1½; New York Central advanced ½; New York Central & St. L. advanced \$1; New York, New Haven & Hartford advanced \$1; New York, Ont. & W. advanced ½; Norfolk & Western advanced 2½; Northern Pacific advanced 1½; the Pennsylvania advanced ½; Peoria & East, advanced \$1; Pullman Co. standing at 126½, advanced 1½; Reading advanced 1½; St. Louis Southwestern advanced 1½; Southern Pacific, standing at 95, advanced 1½; Southern Railway advanced ½; Southern Railway

preferred advanced \$1; Texas & Pac. advanced \$1; Texas Pac. C. & O. advanced ½; Union Pac., standing at 150½, advanced 2½; United Ry. Inv. advanced 1½; United Ry. Inv. preferred advanced 2½; Wabash advanced ½; Wabash preferred A advanced ½; Western Md. advanced ½; Western Md. 2d preferred advanced ½.

More than nine in ten of the stocks on the exchange yesterday advanced. Otis Elevator advanced \$7; Marland Oil advanced 2½; May Dept. Store, 3½; Mexican Petrol, 3½; N. Y. Air Brake, 1½; North Am. Rights, 3½; Standard Oil N. J., standing at 183, advanced \$1; Standard Oil Cal. advanced 3½; Vanadium Inc. advanced 2½; Western Union Tel., standing at 120½, advanced \$4; Willys-Overland preferred advanced 1½; Studebaker, standing at 129½, advanced 1½.

Scores of other stocks not named advanced from a fraction of a dollar or more. United States Government war loans made a nice advance, but we hear that a very large proportion of them purchased by the common people do not now belong to them.

Glancing at another column of the same paper the Chicago grain market showed that wheat closed at 1½ to 1½ lower; corn was down 1½ to 1½; oats ½ off; hogs were from 10 cents to 25 cents lower.

I have generally refrained from saying anything that would give an unreasonable radical an opportunity to base his rantings thereon. I am glad to see good prices everywhere and for everything, but I would like to have some one tell me why it is that most everything excepting products from the farm are bringing higher and better prices, good prices, while the products of the farm, net to the farmer, are below the cost of production. If it is a question of supply and demand and this thing keeps up, many of the farmers will have to go out of business—and there will not be much encouragement in the interests of large appropriations by Congress for the questionable policy of the artificial watering of lands while the Government is staggering under its debt and the people are becoming discouraged on account of high taxes, ruinous freight rates to the farmer, and the increasing cost of things that the farmer and the ordinary consumer are obliged to purchase at retail.

This is a partial recital of some of the conditions that confront the people of the country to-day, and in discussing the price of coal and the cost of transportation and the unrest in the country they are matters that should be considered, and considered earnestly, in behalf of the welfare of the people and in connection with their contentment and rights which they should enjoy.

Having my attention called to the wonderful advance of prices on the stock exchanges of this country, and keeping in mind the improvements that the railroads have been afforded an opportunity to make during the past year or so, and their earnings during that time, leads me to believe that it is not unjust or unfair to ask the railroads of this country, during this great emergency, to reduce their freight rates on coal during the next few months by 50 per cent and thus assume a little of the responsibility that rests upon the shoulders of all the people at this time.

What I have said is not intended for the ears of the anarchist, the criminal, nor those disposed to create unrest, but is intended for the sober thought of the Members of this House, whose ability to think and disposition to do the right thing is not at such "a low ebb" after all.

Mr. COLE of Iowa. Mr. Speaker, I must confess that it is not with my whole approval that I shall vote for the measure under discussion, but I shall do so, and that gladly, under the compulsion of existing conditions. We are told by those who are opposed to this bill that it is a venture in price fixing that may lead to disastrous results. If Congress can fix the price of coal it can fix the price of any other commodity. But the proper answer to this objection may be that we are not fixing the price of coal, but forbidding extortion, or profiteering at least, in the same. Nor is it wholly true that this is a first venture. The Government has long made rates for railroad service, and it has more recently undertaken to fix the wages of railroad labor.

The bill under consideration is so drastic that I am sorry its enactment is necessary. It would not be necessary if all men in business were just and if none were disposed to take advantage of a critical situation in the industrial world as at present constituted. Those who will deal justly, as many are still disposed to do, have nothing to fear from the enactment of this bill into law. Such laws are not made for those who do what is right, but for those who would do what is wrong.

Those who object to the measure have frequently invoked the Constitution. I am not a constitutional lawyer, nor am I willing to admit that those who raise this objection are all con-



stitutional lawyers, though some of them may be educated in the law. Constitutional objections are very ancient in American history. In 1803 President Jefferson hesitated in the annexation of Louisiana on constitutional grounds until he was persuaded that the doing of a great public good could not be unconstitutional. Can it be said that we are not doing a great public good in enacting a law to prevent profiteering in a public necessity like coal, upon which all industrial activities are based and which is part of the comfort and the health of every home in the land?

The people who during the cold months of the fast oncoming winter might be compelled to pay unreasonable prices for their fuel may not be in a mood to discuss constitutional technicalities such as have been brought forth in debates in this House during the past few days. A constitution that might be construed to rob them or to freeze them might be a constitution brought into public contempt. We must not cast this odium on a Constitution that is already frequently reviled by the unthinking among us.

That the consumers must pay for the disastrous disturbances in the coal-mining fields is plainly axiomatic. But there are ways of paying that are more reprehensible than others. In the Illinois fields, according to newspaper reports, the mine owners and operators seem to have calculated their losses during the strike, including interest on their idle investments and estimates of profits that they might have made, and this lump sum running up into the millions is to be apportioned to each ton of coal that may be mined between now and the 1st of April, when the strike settlement period expires. We are told that this apportionment amounts to \$1 or \$1.25 per ton. This they propose to add deliberately to the mine price of coal. That is making the public pay for their losses, although some of these losses may have been due to their own mismanagement of the situation, for it can not be assumed that the blame for this strike was all on one side. Nor must we lose sight of the fact that during this strike the operators disposed of large surpluses of coal at increased prices and they probably sold slack and slag and slate at coal prices, an eager and dependent public not judging the quality of the fuel that they needed.

But in what other line of business could such losses be so coolly charged up to others? Shall the mine operators be the only ones who in the end will suffer no loss?

Surely the miners, who do the more important work of actually producing the coal, will not be able to add their lost wages to their wages during the next five months, for they have gone back at the old wage scale. I have received a statement from one business concern in my home city to the effect that the strike increased their operating expenses to the extent of \$24,000. From what I know of their business I know that they will not be able to add it to their selling prices during the next five months. Every shipper, including the farmers of my district and State, has suffered grievous losses on account of the strike in the coal fields. The prices of farm products have been depressed and shipments have been delayed because of the shortage of fuel. We all know that the farmers will not be able to add these losses, brought about through no fault of their own, to the prices which they will receive for their potatoes and corn, their hogs and cattle, between now and the 1st of April.

The farmers, for whom I have a right to speak, and for whom it is my duty to speak while I am here, are confronted with the fact that they must buy their coal mined at war wages and sold at war-time profits, while they are selling their own products at prices that are down to the pre-war levels. This may be borne for another season, but it is something that can not always be endured with the patience and patriotism which have always characterized those who have been tillers of the soil. There must be readjustments in the labor world and in the domains of industry and business to correspond with the readjustments that have already taken place in agriculture, and until there is such coordination and cooperation we shall not be wholly normalized.

To my mind, the only thing to be feared is that even under nationalized supervision coal prices will be still too high and not too low. The recent ruling of \$3.50 to \$4.50 at the mines is an illustration of what we have to fear under this legislation, for even Government control is not always wholly wise, nor can it be made wholly efficient. Under this ruling mines from which coal can be placed on the cars around \$2 a ton were permitted to increase their gains. Government regulations must be more or less uniform, and they have to be based, to some extent, on the cost at the mines least advantageously located.

But the action contemplated in this bill is not only demanded of us who make laws here in Washington, but I believe it is the best that we can do, whatever its imperfections may be.

There is the alternative of Government seizure and operation of the mines, which has been favored by some. But for this we can now find neither pretext nor justification. That emergency passed with the resumption of mining. Nor would it, under any circumstances, serve the public better. We all know that Government operation of railroads and ships has been wasteful beyond expression in money. If the Government had seized the mines, what assurance would it have had that the striking miners would have returned to work except through the concessions which they demanded? Even a Government can not force men back into the mines—men might refuse to work even if there were a bayonet back of each man. It is human nature and stubborn facts that we have to deal with here and not sentimentalities.

In conclusion, may we not invoke a return of the old-time morals in the business world? We complain of the exactions of labor, and we do that justly, for labor is often misled, but can we give a clean bill of public morals to the business world? The trouble with us is that each man is determined to have for himself all that he can get. This is as characteristic of the so-called employing class as it is of employees. The war spoiled all classes. Wage and business morals alike were cast to the wind, and we now find ourselves confronted by the necessity of returning to the old standards. We are all anxious to reform the other man, but might we not with profit consider the reformation of ourselves. Pity it is that in this critical situation the men who control the coal supplies of the Nation have not been able to be big enough in morals and in business to come forward with the assurances and the evidences that they would deal justly with the public, exacting no profits out of national necessity. I doubt not there are many men so minded, but there are enough not so minded to make it necessary for us through the enactment of this bill into law to interpose the strong hand of the Government between their greed and their would-be victims. Those who would or might wrong the public are forcing this legislation to be placed on the statute books.

Mr. VOLSTEAD. Mr. Speaker, in considering this bill (H. R. 12472), which is designed to relieve the exigency created by the railway and coal miners' strikes, I desire to offer some observations that do not bear directly on the bill but deal with the difficulty that has made it necessary.

It is time that some one should call attention to the situation that confronts agriculture, and especially agriculture in the Northwest, and offer some explanation of the industrial difficulties under which they are suffering. The World War came to an end almost four years ago. During the war the Government, under its war powers, sought to limit to some extent the prices of manufactured products, but after the armistice was signed all restraint upon senseless and insatiable greed was relaxed. The Federal Reserve Board aided the crazy boom that followed the war by recklessly extending credit in every direction. It evidently was not until 1920 that it commenced to dawn upon the board that the fool's paradise it had helped to create must in the end bring disaster. Restrictions upon credit were then ordered and business commenced to slow down. Under normal conditions this might have brought substantial reductions in the prices of manufactured goods, but during the war the Government had encouraged and even compelled combinations of capital and labor, and these organizations, though a number of them have been attacked by the Attorney General, have in many lines of business been able practically to maintain war-time prices.

This is not true of the farmers. They have not been able to maintain their prices. Not only are farmers largely unorganized but much of their products must be sold in foreign countries, and foreign prices in a measure limit the figures at which their products can be sold in this country. The average prices of farm products in the great agricultural sections of the Northwest are as low to-day as, and the prices of many products way below, the pre-war levels, while the things the farmer has to purchase are only slightly below war prices. Unless this condition is changed, the farmers face ruin. No law that you can pass, no remedy that you can propose, that does not affect a readjustment of this economic condition will save them. Unless the change comes and comes soon you will see in the West what you have seen in the East—abandoned farms and deserted homes. There is at present no hope for anyone on a farm in my section. The farm boys will crowd to the cities until a readjustment occurs. Why should a person invest twenty or thirty thousand dollars in a farm if he can go to some city and after a few years training in almost any occupation earn with his bare hands more money



than he can possibly hope to secure from such a farm, working 12 to 14 hours a day? No argument can persuade him to wear away his life upon a farm if penury and the poorhouse are all it promises.

It is popular to blame all our troubles on "Wall Street," and "big business." I wish I could do so in this case. While I shall not minimize the greed of capital, I would not be candid if I did not recognize the share that certain labor leaders have in this tragic situation. Labor and capital are usually represented as hostile to each other, but evidently the lion and the lamb have lain down together. Capital and labor have many interests in common.

As long as a manufacturer can sell his product at the same rate of profit on the cost of production, whether the article costs him much or little to produce, he profits by high wages. To illustrate: If at a high wage it costs \$5 to produce a pair of shoes, but only \$2.50 at a low wage, the manufacturer will make twice as much profit on the sale of the high-priced shoe as he does on the low priced. In other words, as long as the public can be made to pay the same rate of profit on the cost of production the manufacturer makes more money if he pays a high than if he pays a low wage. I am assured that it is upon this theory that wages and prices have been maintained.

#### TRANSPORTATION AND COAL PRICES.

No one would be better pleased than I could these war wages be maintained without spelling ruin to agriculture. Whenever high wages or big profits are exacted in any important industry a direct toll is taken from the farmer. Let me give you an illustration or two. The farmer pays a very large share of railway freight charges, both in the sale of his products and in the purchase of coal, lumber, machinery, and everything that he has to buy. In 1916, the year before we entered the war, the official record shows that the railroads paid \$1,468,576,398 as wages to their employees. For operating substantially the same mileage they paid for the same purpose in 1920, the last year for which I have been able to get figures, \$3,698,216,351, or \$2,229,639,953 more than they paid in 1916. The wages of 1920 have been slightly reduced since then, but they are still more than double what they were before the war. In a letter that I received a few months ago from the secretary of the Interstate Commerce Commission I am told that the average rate of pay of all railway employees in 1916 was a little less than 27 cents per hour and that the rate of pay at the date of that letter was on the average more than 69 cents per hour and that 60 cents of every dollar that is paid for freight goes to pay for labor. A sum that is largely augmented by the labor cost of coal and other material used by railways.

Coal is indispensable in the Northwest for fuel in every home and in every industry. The wages of coal miners average, I am told, from \$7.50 to \$10 a day, and when paid at a certain price per ton may run as high as \$25 per day. The miners do not claim that this wage would be reasonable if they could secure work all the time, but say that there are so many mines and miners that they only work about half the time and hence need this wage to maintain themselves. Bricklayers in large cities get from \$12 to \$15 per day, while carpenters and other mechanics get correspondingly high pay.

When anyone suggests that wages are high, he is at once denounced as an enemy of labor and a friend of predatory wealth. I would be entirely willing that war wages be maintained if the people in farming communities could also receive war wages and prices. Not only do the high wages and increased cost of production in our large cities affect the farmers but they are a burden upon all classes that are dependent upon the farm. Labor on the farm and in the small cities and villages, in my section never received the high wage paid in the large manufacturing centers, and their wage is to-day not much, if any, above the pre-war figure. I have always tried to be liberal toward labor, as my record will abundantly show, and my objection is based solely upon the ground that high wages and big profits are a crushing burden upon those I represent.

It is often insisted that the increased cost of an article is trifling because of the increase in wages. That is a very superficial view. It has been pointed out that the increase in the cost of a ton of coal, because of the increase in the miner's wage, is comparatively small. While that is true, the wage paid the miner is only a part of the wage increase charged to the cost of coal before it reaches the top of the mine. Speaking of soft coal, the wage charge now is from \$2.50 to \$4 per ton, varying with the thickness of the coal vein. It will average more than \$3 per ton. Before the war soft coal sold at the mine at an average of not to exceed \$1.50 per ton, cost of coal and profit included, while the minimum price is now about \$3.50 and the sky is the limit. But that is not all; every time this coal is handled from the time it leaves the mine until it reaches its

final destination wages and capital take additional tolls. If capital was content to make the same rate of profit on high-priced coal that it makes on the low priced, it would more than double its charge; but in many instances capital has acted the conscienceless hog and charged all it could gouge out of the public. It is to be hoped that this bill may go a long way toward stopping that sort of profiteering. This argument that increases in wages do not materially affect the price of a product has been made in favor of maintaining railway wages as well as wages in all other industries.

#### ESCH-CUMMINS LAW.

Every possible effort is being made to conceal the effect that the wage increases of railway employees have on freight and passenger charges. To divert attention from the actual facts the Esch-Cummins law has been unsparingly denounced. It has been claimed that the Government is guaranteeing 6 per cent interest on watered stocks and bonds, including every penny that the railways claim they have invested in the roads. These statements are utterly false. There is no provision in the law that permits anything of the kind.

When the Government took over the roads during the war it promised to pay for their use a rental equal to their average earnings during the three preceding years. The Government had no power to take the roads without paying for their use any more than it could take any other property without paying for it. When the Government came to turn the roads back to their owners it was evident that it would take some time for the owners to reorganize them, and to save them from this loss, for which the Government acknowledged responsibility, it agreed that during that period, which was limited to six months, it would see that the roads earned as much during that time as they would have if the Government continued to pay rent for those six months. This is the only guaranty the Government ever gave the railways. The claim that it guaranteed 6 per cent income, or any other rate, for two years thereafter is absolutely false. During those two years the roads earned, according to the report of the Interstate Commerce Commission, less than 3 per cent, and the railroads have never claimed any such guaranty. The claim is nothing but reckless propaganda.

The claim that the Esch-Cummins law permits freight and passenger rates to be based on watered stocks and bonds is a part of the same propaganda, and so is the claim that the amount invested in the roads determines their value. The law does not authorize anything of the kind, but directs that rates must be based upon the actual value of the roads. The Interstate Commerce Commission valued the roads for rate-making purposes at about \$1,000,000,000 less than the railroads claimed to have paid into them, and added not a penny to that valuation because of any outstanding stocks or bonds.

Ever since 1913 this commission has been at work with a large force of men to find the actual value, and it has practically completed the work on all important roads. A man from my own State, in whom I have the utmost confidence, Mr. Staples, has been at the head of this valuation work. I should certainly prefer to take his statement for that valuation in preference to that of some one trying to create a prejudice against the law.

The Esch-Cummins law is the most drastic railroad law that has ever been passed. Under it the Government practically runs the roads. They can not issue a dollar of stock or of bonds without getting permission from the Interstate Commerce Commission to do so. They must keep books showing every dollar that they receive and pay out, and the officers are under heavy penalties for any false entries in such books. They must report annually and are under close governmental supervision. The rates they charge for freight and passengers are fixed by this Government commission, and practically everything that the roads can do is subject to its control. If any road earns more than 6 per cent upon the actual value of its property, one half of all sums earned in excess of 6 per cent must be paid to the Government and of the other half of such excess a sum equal to 5 per cent of the value of the road must be held by it for use in lean years. To adjust disputes between the roads and their employees, it creates a labor board to determine what are proper wages and conditions of employment. It is this provision that has arrayed against it the hostility of labor, and the reason for it is that for the first time in the history of this kind of legislation the public is given representation upon such a board.

The present railway strike was provoked by a decision of this board directing a reduction of wages of certain railway employees. This board is made up of three railway employees, three representatives of the railways, and three appointed by the President to protect the public interest. When the Esch-



Cummins law was passed it was fought with intense bitterness by a large group of railway employees, who sought to force the Government to buy the roads and turn them over to a corporation under an arrangement that would practically have made the employees the owners of the roads, with power to fix their own wages. This was the famous Plumb plan, for which it was said at the time that \$4,000,000 were raised to secure its adoption. It is but fair to say that a large proportion of the railway employees did not support this plan and took no part in this fight. The Plumb plan is apparently dead and buried.

The increases in the railway wages and railway freights were made at the direction of the Government, and most of them took place under Government operation. While the Government ran the roads it paid the loss from the Treasury, but as this could not continue rates were increased to pay the expenses.

#### DISASTROUS EFFECT OF BOOM PRICES.

I notice that Mr. Gompers, president of the American Federation of Labor, has just issued a statement in which he boasts that the pay of organized labor is still within 5 per cent of the highest wage that was paid during the war and the boom period following it. This can not continue indefinitely. Some time this bubble will break. With the price of production sky-high no foreign export can long continue, nor can any large amount of products find any market in our agricultural sections or among other classes of our people who do not profit by this abnormal condition.

Buildings are being erected at a cost that must eventually make living conditions and the expenses of doing business intolerable in our cities if a rate of profit is to be collected in rents that will pay the rate that capital is now demanding. There can be no prospect of a real business revival until conditions are readjusted so as to give all classes fair play. This abnormal condition has in a large measure been maintained by strikes and threats of strikes. The coal-mine strikes have just been settled by conceding to labor the highest wage it ever received under contracts that mean two years of high coal prices. In the contest between capital and labor the public is not only helpless, but it is made to suffer until one side or the other, in dread of public resentment, is compelled to yield, and in the end the public pays the cost of the contest. It has been freely charged that in these strikes capital and labor leaders have been conspiring together to boost prices at the expense of the public.

#### STRIKES AND LOCKOUTS.

The power to stop mines and factories and to paralyze all transportation is a power that no czar would dare to exercise. It threatens not only our entire industrial system, but it threatens even the health and life of our people. As to absolute essentials, such as coal and transportation, some other remedy for settling industrial disputes must be found.

We may have the power now, in case railway managers refuse to render service, to take possession of the railways and run them; and if we do not have the power to temporarily take them over, it should be given. But as to organized labor, no power to control them exists. A little group of labor leaders may stop the railways and stop every industry in the country. This would be true as to railways even if the Government operated them.

We have got to face this issue sooner or later. The American people will not permanently submit to a situation in which they may be held up and robbed by any group of people, whether it be capital or labor. The method by which disputes between labor and capital are settled is industrial war, in which murder is freely resorted to for the purpose of enforcing demands. It is selfish, irresponsible tyranny. The contest should be settled in some civilized fashion and with some regard to the public interest. This system breeds lawlessness, encourages riot, and threatens revolution. The contention that it can not be settled in any other way is a contention that the right of a class is superior to the rights of the public. Not more than 100 years ago men insisted upon the right of settling their own quarrels. If offended, a person would challenge his opponent to mortal combat, and the sword or gun would decide the issue. The right of the Government to interfere was strenuously denied. It was a species of personal liberty that its votaries insisted was sacred. We have brushed aside the contention. Disputes over property, the protection of our persons, and even the right to live are submitted to our courts—rights that certainly are as sacred as the right to any particular wage.

Some tribunal must be set up to settle labor disputes. The strike and lockout must be outlawed. The decision of such a tribunal must be made binding on capital and labor alike. Of course, no one can or should be compelled to work, but a conspiracy to quit work because the decision of a legally constituted tribunal is not satisfactory can be made an offense, and those who are willing to work should and must be protected. A person's right to work is as sacred as his right to quit work.

I know that these views are not very popular at this time in some quarters, but if this Government is to be maintained and our people are to be permitted to enjoy the blessings of peace and of prosperity, that extend fairly to all classes, they will be popular some day.

Mr. COLE of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the farm loan bill.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD on the farm loan bill. Is there objection?

There was no objection.

The extension of remarks referred to is here printed in full as follows:

Mr. COLE of Iowa. Mr. Speaker, I want to call the attention of the House to an amendment to the Federal farm loan act which I introduced the other day, but which I am informed can not receive consideration during this session of the Congress. My proposition, to increase loans under this act from \$10,000 to \$25,000, is not new. Amendments of similar purport have been pending here for some time. I regret that the decision not to take up new legislation before adjournment prevents consideration of this amendment, for it is one of vital importance to many farming sections.

Under the present restrictions the Federal farm loan banks have almost ceased to function in States like Iowa, where the high price of land, ranging from \$200 to \$300 and higher per acre, makes a \$10,000 loan wholly inadequate for a minimum farm of 120 to 160 acres. No tenant can hope to acquire the land which he tills on such a loan. Tenant farming has been increasing in States where land is high priced, and if the Federal farm loan act holds out no hope of solution of this problem, then it will have failed of one of its highest purposes.

Why make a new law and why establish a new system and then place limitations on their operations that defeat the purpose which we had in view? Why hold out the hope in words and then defeat it in acts?

The objection that to increase such loans may promote rural inflation is not tenable, for the Government has in operation another system of rural financing under which what are known as the joint-stock land banks are operated, which already have the loaning power which we are seeking for the Federal farm loan banks. We are seeking this power for these banks because they are more favorable to the borrower, being wholly cooperative, while the joint-stock land banks are not so cooperative. Both systems—the Federal farm loan banks and the joint-stock land banks—are based on the issuance of tax-exempt bonds, and are directed under the same bureau. Both systems are allowed a spread of 1 per cent for what are called operating expenses. That is, money realized from 4½ per cent bonds may be loaned at 5½ per cent. It has been found that these systems can be operated on much less than 1 per cent, probably on one-half of 1 per cent. In the case of the Federal farm loan banks the surplus is distributed to the borrowers in the form of dividends on their stock, each borrower being compelled to take 5 per cent of his loan in stock. The Omaha bank is now paying 10 per cent dividends on this stock, reducing the interest paid by the borrower to 5½ per cent. In the case of the joint-stock land banks this surplus is not so distributed, but inures to the benefit of the shareholders, who are not the borrowers but the promoters and managers of these banks. The joint-stock land banks are now permitted to loan as high as \$50,000 to one borrower. The farm borrowers can see no reason why restrictions should be placed on the loans made by the banks that are more favorable to them.

The merits of these systems of rural financing are no longer subjects of debate. The Federal farm loan banks have been in successful operation for many years. They have met with the approval of the farmers, and the financiers who at one time scoffed at them have been compelled to admit that they have been successfully operated. A former director of this system, Mr. Herbert Quick, in a recent magazine article called it "the most wonderful experiment in financing ever carried out in America." This somewhat extravagant language is fairly justified by the facts. Mr. Quick also said that these banks "have done in five years more than any foreign land mortgage system ever did in three times that period." He believes that the good work that these banks are doing is only in its beginning and he asks that they be dealt with by the Congress in a fostering spirit and not in a limiting one. "They are the big things in American agriculture" is his final judgment.

I confess that I share in much of this enthusiasm expressed by Mr. Quick. I have come to my conclusions from a somewhat careful study of the system here in Washington as well as from observation in the farming sections. I am therefore anxious to have this system made available to my constituents



who are so favored as to live and to work in that part of the country where land has received its highest development and has attained the highest prices, not only by reason of such development but because of natural fertility and favored conditions as to sunshine and rain. It is to enable men on these high-priced lands to take advantage of this favorable system that I introduced the amendment to the Federal farm loan act. This amendment has received the urgent indorsement of all the agricultural organizations in my State, and it is not opposed, so far as I know, by any of the banking interests.

But while I am anxious to remove the present limitation on the loaning powers of the Federal farm loan banks, I am equally anxious to restrict these banks wholly to agricultural purposes. We should not extend the use of tax-exempt bonds—if we use such bonds at all—to mere speculators in land. Those who till the land should be the sole beneficiaries. It is a use of supreme power to issue bonds exempt from all taxes, and if there is any excuse for the use of such bonds it must be found in the promotion of an industry essential to the public welfare. This, I believe, can be said of agriculture, the great basic industry.

I think so well of this Federal farm loan bank system that I am in favor of extending it to include what have been called short-time rural credits, to the establishment of which President Harding recently pledged his administration. We need not only long-time land loans, but we need short-time loans to cover the marketing of products and to carry on such industries as live-stock feeding. Stable, low-rate loans, loans that can not be called at inopportune times, are necessary to carry on this part of the farmer's business. The effectiveness of such financing has been shown during the past year, following the revival of what is known as the War Finance Corporation.

This corporation, with less than half a billion of assets, has been so wisely administered that it relieved financial distress in the agricultural sections, and even increased prices of farm products by the promotion of judicious marketing and the export of products. I think that this one thing did more to bring about a revival of rural prosperity than any other one undertaking of the Government. I see no reason why we should not have some system like this made permanent. The War Finance Corporation will expire next year, and I believe that it will be a wise and proper act to transfer its assets and its power to be administered as part of the Federal Farm Loan Bureau.

I believe that these two systems, long-time land loans and short-time commodity loans, can be successfully operated as parts of one system. It will make coordination and cooperation possible, and it will do away with the unnecessary machinery of another organization.

I believe that with these two systems, with the amendment to the Federal farm loan act which I have proposed, and which others have proposed, that we will be in a fair way to place agriculture on a business basis. It will be doing for agriculture what has already been done for the business and commercial interests of the country, especially through the Federal reserve banking system, a beneficent system, but the advantages of which have not always been wisely placed within reach of the agricultural interests. In fact, there is a prevalent belief that the Federal reserve system has at times been operated to the disadvantage of agriculture. I can not share the belief that this was done intentionally or deliberately, but I can not avoid the conclusion that the effect of some of these operations was at one time severely disastrous to agriculture.

By these two extensions of the functions of the Federal Farm Loan Bureau, first, the increase of loans permissible from \$10,000 to \$25,000, and second, the extension to include short-time or what may be called farm-commodity credits, we will, I believe, solve many of the problems that have distressed us in the agricultural States. It will give to the farming interests a financial system that will be based on their needs and that will be operated to promote their welfare.

I see no reason why there should be any opposition to the amendment which I have proposed and the further extension of the system which I have suggested in these remarks on the part of any other business or financial interests. We are asking for no sectional or occupational legislation. I am opposed to class legislation of all kinds. All that we are asking is a broad national financial policy for the stabilization of agriculture. I need not at this time call attention to the basic character of this industry, nor point out to you or to the country the important relation in which this industry stands toward all other industries. This thought which I have in mind was recently well expressed by Vice President Coolidge when he said that "the aggregate prosperity of manufactures and the aggregate prosperity of agriculture are intimately connected." I

need add nothing to this axiomatic and epigrammatic utterance. From first to last we have had a great deal of futile agitation and legislation on subjects agricultural. This great industry has been buffeted on the billows of populism and other wild and impossible theories and movements. All these loose and radical movements have accomplished nothing for this vital industry. The time has come when we must legislate for it on a business basis, and so far as is within the powers of the Congress place it on a self-respecting and self-sustaining business basis. Let us do for agriculture what has been done for other business, and if we do that we shall find that agriculture will serve the welfare of all the people.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—  
To Mr. GARRETT of Tennessee, indefinitely, on account of illness in his family.

To Mr. LANGLEY, for three days, on account of business.

To Mr. CLARK of Florida, indefinitely, on account of illness.

To Mr. LANKFORD, for three days, on account of illness.

#### ADJOURNMENT.

Mr. WINSLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until Thursday, August 31, 1922, at 12 o'clock noon.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 12515) providing for the purchase of a site and the erection of a public building thereon at Tipton City, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. SMITHWICK: A bill (H. R. 12516) authorizing the Secretary of the Interior to equitably determine and confirm by patent the title to lots in the city of Pensacola, Fla.; to the Committee on the Public Lands.

By Mr. SCOTT of Tennessee: A bill (H. R. 12517) to amend the war risk insurance act as amended; to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 12518) granting a pension to Rosy J. Barnes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12519) granting a pension to Sarah A. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12520) granting an increase of pension to Seneca Beamon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12521) granting an increase of pension to Sarah C. Cannon; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 12522) granting a pension to Virginia V. Deyo; to the Committee on Invalid Pensions.

By Mr. GENSMAN: A bill (H. R. 12523) granting a pension to Margaret Kerkendall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12524) granting a pension to Mary M. Gunter; to the Committee on Invalid Pensions.

By Mr. KING: A bill (H. R. 12525) granting an increase of pension to David Vasen; to the Committee on Pensions.

By Mr. MAPES: A bill (H. R. 12526) providing for the commissioning of William A. Pearl and granting him immediately thereafter an honorable discharge; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 12527) for the relief of the heirs of Oliver P. Phillips; to the Committee on War Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6250. By the SPEAKER (by request): Petition of sundry citizens of the State of Wisconsin, favoring legislation in favor of light wines and beer; to the Committee on the Judiciary.

6251. Also (by request): Petition of the American Legion, Boise, Idaho, favoring the passage of the Smith-McNary bill for the reclamation of arid lands; to the Committee on Irrigation of Arid Lands.



6252. By Mr. ANSORGE: Petition of George V. Rogers, general manager, New York Tribune, opposing proposed tariff of 1 cent per pound on rotogravure paper; to the Committee on Ways and Means.

6253. Also, petition of Women's City Club of New York, favoring the establishment of national parks, supporting the Barbour bill (H. R. 7452), and opposing the Osborne amendment thereto; to the Committee on the Public Lands.

6254. By Mr. KISSEL: Petition of Grain Trade Association of San Francisco Chamber of Commerce, opposing the Volstead law; to the Committee on the Judiciary.

6255. Also, petition of Mr. B. Douglas, Brooklyn, N. Y., favoring a duty of 40 per cent on wire cloth; to the Committee on Ways and Means.

6256. By Mr. SMITH of Idaho: Petition of the Kiwanis Club of St. Anthony, Idaho, urging the punishment of those guilty of killing 34 persons at Herrin, Williamson County, Ill., on the 22d day of June, 1922; to the Committee on the Judiciary.

## SENATE.

THURSDAY, August 31, 1922.

(Legislative day of Friday, August 25, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

### COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. LODGE obtained the floor.

Mr. CURTIS. Will the Senator from Massachusetts yield while I suggest the absence of a quorum?

Mr. LODGE. I yield for that purpose.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKellar	Sheppard
Ball	Gerry	McLean	Shortridge
Brandeggee	Glass	McNary	Simmons
Broussard	Gooding	Myers	Smith
Bursum	Hale	Nelson	Smoot
Calder	Heflin	New	Stanfield
Cameron	Hitchcock	Newberry	Sterling
Capper	Jones, Wash.	Nicholson	Sutherland
Colt	Kellogg	Oddie	Trammell
Culberson	Kendrick	Pepper	Underwood
Cummins	Keyes	Phillips	Wadsworth
Curtis	La Follette	Ransdell	Walsh, Mass.
Dial	Lenroot	Rawson	Walsh, Mont.
Dillingham	Lodge	Reed, Mo.	Watson, Ga.
Edge	McCormick	Reed, Pa.	Watson, Ind.
Fletcher	McCumber	Robinson	Willis

The PRESIDENT pro tempore. Sixty-four Senators have answered to their names. There is a quorum present.

Mr. LODGE. Mr. President, I realize how anxious the Senate is to vote upon the pending bill, and none can be more anxious than I am to bring the discussion to a close. But I can not let the bill go to the final vote without expressing very briefly my own views in regard to it and the opinions and feelings which have led me to take the position which I take. I can assure the Senate that I shall try to be as brief as possible.

Mr. President, there has been some discussion as to the title of the bill, as to its accuracy of definition. I think the element of compensation enters into it, as I shall try to show in a few moments, but it does not matter to me by what name it is called. The purpose of the bill is to pay, in part at least, what seems to me a debt. It is a debt of gratitude. Debts of gratitude for great service rendered can never be paid in full, but they can be recognized and remembered.

I shall not go over the long list of historical precedents. They are well known. Similar gifts or provisions have been made for soldiers following all our wars, chiefly in the homestead acts and the giving of lands to soldiers. The giving of recognition to soldiers who have fought is a very old principle indeed. There is nothing novel in it. I am sure every Senator here remembers the great speech which Shakespeare puts into the mouth of Henry V before the Battle of Agincourt, in which he says:

We few, we happy few, we band of brothers;  
For he to-day that sheds his blood with me  
Shall be my brother; be he ne'er so vile,  
This day shall gentle his condition.

At that period, though, perhaps, not at the period of Shakespeare, that promise was within the power of the King, and no greater offer of reward could have been made than when Henry V declared, as he does in the play, that "this day shall gentle his condition." It meant social advancement, it meant the recognition of a rank which most of them did not hold, and, of course, was of pecuniary value to every recipient. Whether the royal promise was historical or not, I never heard that the English soldiers at Agincourt fought any the less well or that patriotism was commercialized because of any offer made by the King.

As I have said, I shall not review the historical precedents in this country. They are abundant. But I desire to say a word in regard to the policy of the United States as to other debts imposed upon us by the war.

Of course, the largest and most obvious debt is represented by the Government bonds. They involve the credit of the United States. Everyone believes that they must be paid, and be paid in gold, principal and interest, without the deduction of a cent. The holders of the Government bonds lent their money, which was an important service during the time of the war, and they are thoroughly protected, as they should be.

As was pointed out by the junior Senator from California [Mr. SHORTRIDGE] last night, we have given something over \$200,000,000 in bonuses to civilian employees, no doubt for very good and sufficient reasons. I voted for those appropriations, and I think they were well bestowed.

The industries of the country made large profits. I am not speaking of profiteers or of extortionate or fraudulent profits; those lie outside of any rule and some of them were crimes against the Government; but the industries of the United States during the war years, when vast expenditures were being made by the Government, earned legitimately a great deal of money; they made very large profits. They were taxed on those profits, but, nevertheless, the net profits were very large, and they had full opportunity to make them.

As to the railroads which the Government took over, the debts due to those roads, amounting to many millions, have all been provided for and paid. I voted to do it in every case, and I think it was proper to do it. We have also made provision for debts due on contracts and on account of the cancellation of contracts. I voted to make such provision and for the appropriation of the money necessary to pay those debts, and I think it was proper that we should pay them.

At the same time, as I look over the field, apart from the sick and wounded soldiers, who in many cases are mutilated and diseased for life, I can not find that the soldiers have received anything beyond their insurance, which they took out and paid for themselves. That has been our course; and I can detect only one difference between our distinction between the cases I have enumerated and our attitude toward the soldiers, and that is the difference in the amount which would be required to meet the provisions of the bill which is now pending before us. We are punctilious in the payment of all services involving money and curb our generosity only when we come to services involving life. Under this bill, which I understand is acceptable to the ex-service men, the total amount which will ever be paid, according to figures which seem to be very carefully made in the report of the committee, will be \$3,845,000,000. Of course, it will all be paid and be paid by the people of the United States. Whether we impose a tax now or whether we impose a tax later on, or whether we borrow money or whether we take the money from the debt due us from foreign governments, if any is paid to us, it all will be paid by the people of the United States. But the payments under this bill will be spread over a period of 40 years, which will not reduce the total but will make a great difference in the mode of payment and in the pressure that it will cause upon the Treasury of the United States.

Under the bill for the first year, in round numbers, the payment will be \$77,000,000; the next year it will be \$92,000,000; the next year it will be \$73,000,000; the next year it will be \$370,000,000; the next year it will be \$148,000,000; the next year it will be \$137,000,000. Then come payments of \$92,000,000, \$36,000,000, \$25,000,000, \$21,000,000, \$18,000,000, \$18,000,000, \$19,000,000, \$19,000,000, \$27,000,000, \$27,000,000, \$28,000,000, \$13,000,000, \$7,000,000, and in 1942, \$104,000,000.

The necessary expenditures are thus distributed over a long series of years. It is idle to say that the appropriation of \$77,000,000 for the ensuing year is going to embarrass or bankrupt the Treasury or cause a decline in our credit. In many instances the total expenditures for a year will not exceed what we have freely given year by year to the construction of roads alone.